

The President's Budget Advisory Committee

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The President's Budget Advisory Committee Membership

| | |
|---------------------------------|--------------------------------|
| <u>Donald Farish</u> | Administration <i>Co-Chair</i> |
| <u>Larry Furukawa Schlereth</u> | Administration <i>Co-Chair</i> |
| <u>Les Adler</u> | AARCC |
| <u>Jose Andrade</u> | Associated Students |
| <u>Melinda Barnard</u> | Chair of the Faculty |
| <u>Bill Barnier</u> | Academic Senate |
| <u>Larry Clark</u> | AARCC |
| <u>Katharyn Crabbe</u> | AARCC |
| <u>Paul Crowley</u> | AARCC |
| <u>Debbie Gallagher</u> | Staff Representative |
| <u>Victor Garlin</u> | CFA |
| <u>Dennis Harris</u> | CRC |
| <u>Rand Link</u> | President's Cabinet |
| <u>Neil Markley</u> | CRC |
| <u>Andy Merrifield</u> | CRC |
| <u>Jim Meyer</u> | President's Cabinet |
| <u>Marty Ruddell</u> | Past Chair of the Faculty |
| <u>Tracy Terrill</u> | Associated Students |
| <u>Steve Wilson</u> | CRC |

Staff to Committee

| | |
|----------------------|---------------------------------|
| <u>Letitia Coate</u> | University Controller |
| <u>Bill Ingels</u> | University Treasurer |
| <u>Silva Barajas</u> | Academic Affairs Budget Officer |

KEY:

AARC: Academic Affairs Redesign Coordinating Committee

CFA: California Faculty Association

CRC: Campus Reengineering Committee

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Last updated on March 21, 1997 by ([a href="mailto:Andrea.Todd@sonoma.edu">A. Todd](mailto:Andrea.Todd@sonoma.edu))

PRESIDENT'S BUDGET ADVISORY COMMITTEE**Spring 1997 Meeting Schedule**

| | | |
|-----------------------|----------|------------------|
| Thursday, February 6 | 8-9 AM | Terrace Room |
| Thursday, February 13 | 8-10 AM | Terrace Room |
| Thursday, February 20 | 8-10 AM | Terrace Room |
| Tuesday, February 25 | 8-10 AM | Terrace Room |
| Thursday, March 6 | 8-10 AM | Sue Jameson Room |
| Thursday, March 13 | 8-10 AM | Terrace Room |
| Thursday, March 20 | 8-10 AM | Terrace Room |
| Thursday, March 27 | 8-10 AM | Terrace Room |
| Thursday, April 10 | 8AM-1 PM | Terrace Room |
| Wednesday, April 16 | 4-10 PM | Terrace Room |
| Thursday, April 24 | 4-10 PM | Terrace Room |

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PRESIDENT'S BUDGET ADVISORY COMMITTEE
Agenda Items


- February 13, 1997
- February 20, 1997
- February 25, 1997
- March 6, 1997
- March 13, 1997
- March 20, 1997
- March 27, 1997
- April 10, 1997

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PRESIDENT'S BUDGET ADVISORY COMMITTEE AGENDA
February 13, 1997

- I. Approval of Agenda
- II. Approval of Minutes: February 6, 1997
- III. Spring Meeting Schedule
- IV. Campus-Based Financial Policies
- V. Adjournment


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PRESIDENT'S BUDGET ADVISORY COMMITTEE AGENDA
February 20, 1997

- I. Approval of Agenda
- II. Approval of Minutes: 2-13-97
- III. Status of the 1996-1997 Budget
- IV. Analysis of the 1997-1998 Governor's Budget
- V. Discussion of Auxiliary Corporations--Introduction
- VI. Sonoma State Enterprises Incorporated
- VII. Associated Students Incorporated
- VIII. Student Union Corporation
- IX. Introduction to SSU Special Funds

- Capital Budget
 - Housing
 - Parking
- Instructionally Related Activities (IRA)
 - Health Center
 - Assured Access Program
 - Course Fees
 - Enrollment Services Fee
 - Independent Operations
 - Continuing Education

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Defense Technical Information Center
Southern Regional Users Meeting and Training Conference


The WUIS Session will be held on 22 Apr 1997 beginning at noon.

Agenda

- WUIS Records on the Secure STINET
- STINT (The Air Force Central Input System)
- Business Process Reengineering (WUIS) - Ms. Katherine Fox
- Armstrong Laboratory MIS - Ms Sherry McNew
- General Discussion of the WUIS Program

PRESIDENT'S BUDGET ADVISORY COMMITTEE AGENDA
February 25, 1997


- I. Approval of Agenda
- II. Approval of Minutes: 2-20-97
- III. Legislative Analyst's Report
- IV. Update on 96-97 Structural Deficit
\$240,000 Allocation for PERS Retirement Cost Increases
- V. CSU Executive Order: Campus Auxiliary Organizations
- VI. Financial Status: Sonoma State Enterprises Incorporated
- VII. Financial Status: Associated Students Incorporated
- VIII. Financial Status: Student Union Corporation
- IX. Adjournment

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PRESIDENT'S BUDGET ADVISORY COMMITTEE AGENDA
March 6, 1997


- I. Approval of Agenda
- II. Approval of Minutes: 2-25-97
- III. CSU Executive Order: Instructionally Related Activities
- IV. Financial Status: SSU IRA Program
- V. CSU Executive Order: Parking
- VI. Financial Status: SSU Parking Program
- VII. CSU Executive Order: Housing Decentralization
- VIII. Financial Status: SSU Housing Program
- IX. SSU Capital Budget: 1997-1998
- X. CSU Executive Order: Continuing Education
- XI. Financial Status: SSU's Continuing Education Program

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PRESIDENT'S BUDGET ADVISORY COMMITTEE AGENDA
March 13, 1997

- I. Approval of Agenda
- II. Approval of Minutes: 3-6-97
- III. Financial Status: SSU's Continuing Education Program
- IV. CSU Executive Order: Student Health Advisory Committee
- V. Financial Status: SSU Health Center
- VI. Spring Schedule


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PRESIDENT'S BUDGET ADVISORY COMMITTEE AGENDA
March 20, 1997

- I. Approval of Agenda
- II. Approval of Minutes: 3-13-97
- III. Information on Bond Repayments--Housing
- IV. Summary of Funds to Date
- V. Financial Status: SSU Independent Operations
- VI. University Trust Accounts
- VII. University Special Project Accounts
(Net of the California Institute for Human Services)

- VIII. University Lottery Accounts
- IX. Financial Status: Academic Foundation
- X. Academic Foundation Accounts
- XI. Good of the Order (Time Certain 9:40 AM)


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PRESIDENT'S BUDGET ADVISORY COMMITTEE AGENDA
March 20, 1997

- I. Approval of Agenda
- II. Approval of Minutes: 3-13-97
- III. Information on Bond Repayments--Housing
- IV. Summary of Funds to Date
- V. Financial Status: SSU Independent Operations
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- VIII. University Lottery Accounts
- IX. Financial Status: Academic Foundation
- X. Academic Foundation Accounts
- XI. Good of the Order (Time Certain 9:40 AM)

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PRESIDENT'S BUDGET ADVISORY COMMITTEE AGENDA
March 27, 1997

MEETING AGENDA

- I: APPROVAL OF AGENDA
- II: DISTRIBUTION OF MINUTES, 3-20-97
- III: PRELIMINARY CSU ALLOCATIONS TO SSU
- IV: SUMMARY OF FUNDS TO DATE
- V: UNIVERSITY TRUST ACCOUNTS
- VI: CONTINUING EDUCATION RESERVE ACCOUNTS
- VII: ACADEMIC FOUNDATION ACCOUNTS
- VIII: GENERAL FUND: UNIVERSITY WIDE
- IX: GENERAL FUND: EXECUTIVE OFFICE
- X: GOOD OF THE ORDER: (Time Certain 9:40 AM)

MATERIALS DISTRIBUTED WITH AGENDA PACKET

Preliminary CSU Allocations to SSU 97-98

Summary of Funds to Date


Budget Overview: SSU Trust Accounts

Balances: Continuing Education Reserve Accounts

Balances: SSU Academic Foundation Accounts

Financial Status: General Fund, University Wide

Financial Status: General Fund, Executive Office

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**PRESIDENT'S BUDGET ADVISORY COMMITTEE
APRIL 10, 1997
AGENDA**

I: APPROVAL OF AGENDA

II: APPROVAL OF MINUTES: 3-20-97
APPROVAL OF MINUTES: 3-27-97

III: SUMMARY OF FUNDS TO DATE

IV: FINANCIAL STATUS: CALIFORNIA INSTITUTE FOR HUMAN SERVICES

V: FINANCIAL DETAIL: CONSOLIDATED STUDENT SERVICES FEE

VI: GENERAL FUND - UNIVERSITY WIDE INCLUDING UNFUNDED ITEMS

VII: GENERAL FUND - EXECUTIVE OFFICE INCLUDING UNFUNDED ITEMS

VIII: GENERAL FUND - STUDENT AFFAIRS INCLUDING UNFUNDED ITEMS

IX: GENERAL FUND - ACADEMIC AFFAIRS INCLUDING UNFUNDED ITEMS

X: GENERAL FUND - ADMINISTRATION AND FINANCE INCLUDING UNFUNDED ITEMS

XI: FINANCIAL POLICIES AND BUDGET PLANNING PARAMETERS

XII: GOOD OF THE ORDER: (Time Certain 12:50 PM)

FUTURE AGENDA TOPICS:

APRIL 16, 1997 4 PM - 10 PM

Historical Financial Analysis -- Base Budgets
Historical Perspective -- Resources spent on Faculty Positions
Historical Perspective -- Positions in the MPP
Summary of Funds
Summary of Unfunded Items
Development of Budget Recommendation

APRIL 23, 1997 4PM - 10 PM

Development of Budget Recommendation

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PRESIDENT'S BUDGET ADVISORY COMMITTEE MINUTES
February 27, 1996

MEMBERS PRESENT:

Don Farish, Co-Chair, Larry Furukawa-Schlereth, Co-Chair, Melinda Barnard (for Bill Barnier and Marty Ruddell), Carol Cinquini Neil Markley Dennis Harris, Rand Link, Charles Merrill Andrea Todd (for Tracy Terrill,) Steve Wilson, Katharyn Crabbe, Letitia Coate , Victor Garlin, Larry Clark,

STAFF PRESENT: Bill Ingels

The meeting was called to order by Don Farish at 3:10 PM who asked for a motion to approve the minutes of November 28, 1995 which were approved unanimously. Farish then turned to the agenda and asked Larry Furukawa-Schlereth present the Mutli-Year Financial Plan (The Plan) for Sonoma State University, 1996-2000 which was attached to the agenda packet.

Schlereth began the presentation stating the objective of the Plan was to create a financial strategy that would permit the University to realize its vision of becoming the public university of choice for undergraduate higher education. He indicated that the plan was based on a variety of parameters established by the PBAC during the Fall Semester including the fact that the PBAC believed that any plan adopted should include the following provisions:

No lay-off of permanent and probationary employees.
Interfund borrowing not permitted without identified repayment source.
No reallocation between base budgets.

Must adhere to CSU financial policy, audit requirements and relevant bond covenants.

Schlereth also indicated that the plan incorporated several assumptions including the belief that material new resources from the CSU were not likely over the next four years and that if SSU wished to achieve its vision, differentiation from other CSU campuses would be required. He explained that the Plan's authors (Farish and Schlereth) believed that an important aspect of differentiation would be the ability of SSU to improve its rates of graduation and retention and enhance its reputation in the area of student satisfaction. In this regard, he stated that he and Farish believed five variables were important including the need for the University to:

- 1: Maintain a distinctive nature characterized by small class size,
- 2: Develop state-of-the art technology to support instruction,
- 3: Procure modern instructional equipment,
- 4: Create curricular and co-curricular spaces and opportunities that are appropriate and contribute to faculty-student interaction,
- 5: Increase the number of students who reside on campus.

Schlereth also explained that any financial strategy for the next four years needed to address a variety of legal and operational realities including the mandate for gender equity in intercollegiate athletics and the need to respond to a variety of new operational realities brought about by decentralization and the adoption of generally accepted accounting principles.

Schlereth then presented a variety of one-time and on-going needs (outlined below) that had been identified by the PBAC during the Fall, 1995 semester as critical financial needs.

| ONE-TIME FINANCIAL NEEDS | ON-GOING NEEDS |
|---------------------------------|-------------------------------------|
| (not in priority order) | (not in priority order) |
| Instructional Equipment Backlog | Maintain the Quality of Instruction |
| Parking Lot Repairs | Vehicle Replacements |
| Classroom Renovations | Information Technology OEE |
| Housing Deferred Maintenance | Athletic Field Maintenance |
| Large Lecture Hall Renovation | Instructional Equipment |
| Athletic Facility Upgrade | Housekeeping Support |
| Pub Renovation | Employee Assistance Program |
| Fire Alarm Repairs | Administrative Equipment |
| Redwood Lounge Renovation | Employee Relations Decentralization |
| Point of Sale | AFD Systems Analyst |
| Darwin Lobby Renovation | Executive Office OEE |
| Campus Signage | GAAP Compliance |
| Koda Replacement | Salary Increases Ind. Operations |
| | Gender Equity, Athletics |
| | OEE, SAS |
| | FRS Maintenance |
| | Academic Affairs Clericals |
| | University Center |
| | Admissions Director |
| | Housing Growth |
| | Academic Budget Officer |

Schlereth then outlined actions he and Farish were recommending with respect to the first year of the multi-year financial plan, fiscal year 1996-1997. 10 specific items were presented and are presented below:

1. A VARIETY OF ON-GOING EXPENSES ARE CURRENTLY BEING FUNDED WITH ONE-TIME MONEY. TO RESOLVE THIS ISSUE, IT IS RECOMMENDED THAT THE UNIVERSITY RESERVE BE REDUCED FROM \$300,000 TO \$200,000 AND THAT FUNDING FOR INSTRUCTIONAL EQUIPMENT BE TRANSFERRED TO ANOTHER FUND SOURCE -- SEE ITEM 4 BELOW.

RESULTING RESOURCES OF \$300,000 CAN THEN BE MADE AVAILABLE TO FINANCE THE FOLLOWING ITEMS:

| | |
|-----------------------------|------------|
| Gender Equity, Athletics | \$ 30,000 |
| Executive Office OEE | \$ 35,000 |
| Salary Increases, IO | \$ 30,000 |
| Admissions Director | \$ 90,000 |
| Employee Assistance Program | \$ 25,000 |
| Academic Affairs Clericals | \$ 90,000 |
| TOTAL | \$ 300,000 |

2. THE UNIVERSITY BELIEVES THAT WILL RECEIVE CERTAIN NEW MONEYS FROM THE CALIFORNIA STATE UNIVERSITY SHOULD GOVERNOR WILSON'S BUDGET BE ADOPTED. THESE INCLUDE FUNDS RESTRICTED FOR THE 4% SALARY INCREASE, RESTRICTED MONEYS FOR PHYSICAL PLANT AND DEFERRED MAINTENANCE, RESTRICTED FUNDS FOR ACADEMIC INNOVATION, DISCRETIONARY RESOURCES TO ACCOMMODATE INFLATION AND DISCRETION FUNDS TO HELP SUPPORT THE ACADEMIC PROGRAM.

DISCRETIONARY RESOURCES ARE PROJECTED TO TOTAL \$105,000. IT IS RECOMMENDED THAT THESE RESOURCES BE USED TO FINANCE THE FOLLOWING ON-GOING PRIORITIES:

| | |
|-----------------------|-----------|
| SAS Operating Expense | \$ 40,000 |
| FRS Maintenance | \$ 65,000 |

3. IN FISCAL 1995-1996, ONE-TIME RESOURCES WERE UTILIZED TO FINANCE ENROLLMENT GROWTH AND OPERATING SUPPORT FOR INFORMATION TECHNOLOGY. TO FINANCE THESE ITEMS IN FISCAL 1996-1997, IT IS RECOMMENDED THAT THE UNIVERSITY INITIATE AN INTERFUND LOAN FROM THE PARKING PROGRAM AS INDICATED BELOW:

| | |
|------------------------------------|------------|
| Parking Reserve | \$ 450,000 |
| Parking Operations 96-97 | \$ 100,000 |
| TOTAL | \$ 550,000 |
| FINANCES | |
| Enhance the Quality of Instruction | \$ 450,000 |
| OEE, Information Technology | \$ 100,000 |
| TOTAL | \$ 550,000 |

TO REPAY THE INTER-FUND LOAN TO PARKING, IT IS RECOMMENDED THAT THE UNIVERSITY RESERVE BE REDUCED FROM \$200,000 TO \$100,000 EFFECTIVE JULY 1, 1996, FOR THE LENGTH OF THE LOAN PERIOD.

4. TO PROVIDE INTERIM SUPPORT FOR INSTRUCTIONAL EQUIPMENT IT IS RECOMMENDED THAT THE UNIVERSITY INITIATE AN INTERFUND LOAN FROM THE SONOMA STATE ENTERPRISES IN FISCAL 1996-1997 AS INDICATED BELOW:

| | |
|--------------------------------|------------|
| Enterprise Operations, 96-97 | \$ 200,000 |
| FINANCES | |
| Instructional Equipment, 96-97 | \$ 200,000 |

TO REPAY THE INTER-FUND LOAN TO SSE, IT IS RECOMMENDED THAT THE UNIVERSITY RESERVE BE REDUCED FROM \$100,000 TO \$0 EFFECTIVE JULY 1, 1996, FOR THE LENGTH OF THE LOAN PERIOD.

5. ENGAGING IN INTER-FUND BORROWING AND UTILIZING THE CAMPUS RESERVE FOR ITS REPAYMENT LEAVES THE UNIVERSITY VULNERABLE TO UNFORESEEN CONTINGENCIES. CONSEQUENTLY, TO REPLACE THE RESERVE, IT IS RECOMMENDED THAT THE UNIVERSITY:

a: Divert any residual resources to the Campus Reserve that are likely to occur in a given fiscal year

6. TO COMPLY WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES THE INCREASED COMPLEXITY OF THE PRESENT CSU FINANCIAL ENVIRONMENT, AND GROWTH OF THE CASH ENDOWMENT OF THE UNIVERSITY FOUNDATION, A COMPREHENSIVE REENGINEERING OF THE CAMPUS FINANCIAL SERVICES CLUSTER IS BEING DISCUSSED BY THE CAMPUS REENGINEERING COMMITTEE. THIS EFFORT IS PROJECTED TO COST APPROXIMATELY BETWEEN \$230,000 AND \$300,000.

CERTAIN RESOURCES HAVE BEEN IDENTIFIED TO MEET THIS NEED INCLUDING REALLOCATION WITHIN AFD (\$100,000) AND RESOURCES ALLOCATED BY THE FOUNDATION BOARD OF DIRECTORS TO SUPPORT AUDIT COMPLIANCE ISSUES RELATED TO THE ENDOWMENT GROWTH (\$65,000).

UNFUNDED IS A FINANCIAL SYSTEMS ANALYST IN AFD.

FUNDS CURRENTLY EXIST IN THE UNIVERSITY-WIDE BUDGET CATEGORY TO FINANCE CONSULTANTS NEEDS TO ASSIST WITH THE FINANCING OF THE UNIVERSITY CENTER AND THE HOUSING GROWTH INITIATIVE. IT IS RECOMMENDED THAT RESPONSIBILITY FOR MANAGEMENT CONSULTANTS BE TRANSFERRED TO THE SONOMA STATE ENTERPRISES AND HOUSING AND THAT FUNDS HELD IN THE GENERAL FUND FOR CONSULTANTS BE ALLOCATED TO AFD TO SUPPORT THE FINANCIAL SYSTEMS ANALYST.

7. THE SONOMA STATE ENTERPRISES AND THE STUDENT UNION CORPORATION HAVE DEVELOPED A PLAN TO FINANCE THE RENOVATION OF THE PUB. THE RENOVATION, PROJECTED TO COST \$200,000, WILL BE FINANCED WITH \$100,000 FROM THE ENTERPRISE FUND BALANCE AND THE ELIMINATION OF RENT PAID BY THE ENTERPRISES TO UNION FOR A PERIOD OF FIVE YEARS.

8. HOUSING DEFERRED MAINTENANCE RESERVES TOTALING \$2,400,000 ARE CURRENTLY BEING EXPENDED TO FINANCE IDENTIFIED DEFERRED MAINTENANCE NEEDS IN THE RESIDENCE COMMUNITY. IT IS ANTICIPATED THAT THIS PROJECT WILL BE COMPLETE BY JUNE 30, 1997.

9. THE SSU PARKING PROGRAM IS EXPECTED TO GENERATE A \$150,000 SURPLUS FROM OPERATIONS DURING FISCAL 1995-1996. IT IS RECOMMENDED THAT THESE RESOURCES BE UTILIZED IN 1996-1997 TO FINANCE THE RESURFACING OF CAMPUS PARKING LOTS.

10. BEGINNING IN 1996-1997, IT IS RECOMMENDED THAT THE PARKING OPERATIONS SURPLUS BE USED TO FINANCE THE FOLLOWING ITEMS:

| | |
|------------------------------|-----------|
| Annual Parking Maintenance | \$100,000 |
| Landscape Support, Athletics | \$ 50000 |
| TOTAL | \$150,000 |

Schlereth then discussed recommendations related to financing other campus priorities, unfunded in

1996-1997, in fiscal years 1997-1998 through 1999-2000. Specifically he indicated that he and Don Farish believed that:

1. Any new funds from the CSU to SSU in fiscal periods 1997-1998 through 2000, up to \$200,000 should be used to finance the remaining portions of gender equity in athletics;
2. financing for an academic budget officer should come from administrative attrition in Academic Affairs;
3. the CRC should resolve issues related to administrative equipment, housekeeping support, and decentralized employee relations via additional efforts in administrative reengineering.

Schlereth then presented a plan to utilize new resources from the CSU for Physical Plant, anticipated in 96-97 and beyond. He indicated that he and Farish believed these resources would most effectively be utilized if they were leveraged to finance a line of credit to address a number of priorities including:

| | |
|------------------------------------|--------------------|
| Classroom Renovations | \$ 500,000 |
| Large Lecture Hall Renovations | \$ 500,000 |
| Fire Alarms | \$ 200,000 |
| Athletic Facilities | \$ 400,000 |
| Darwin Lobby Renovation | \$ 150,000 |
| Redwood Lounge Renovation | \$ 150,000 |
| Koda Replacement | \$ 250,000 |
| Signage, Roads, Lots | \$ 500,000 |
| Point of Sale | \$ 150,000 |
| Project Management, Issuance Costs | \$ 200,000 |
| TOTAL | \$3,000,000 |

Schlereth then indicated that he and Farish believed that in order to provide permanent resources for instructional equipment, class section availability and appropriate operating expense for Information Technology, it was wise for SSU consider the possibility of instituting a differential State University Fee (SUF) of \$150 semester. Proceeds totaling just under \$2,000,000 would then be available to finance the following priorities:

| | |
|--|--------------------|
| A: 33% of the fee would be augment financial aid | \$ 650,000 |
| B: Course fees would be eliminated | \$ 70,000 |
| C: Class sections and Student Faculty Ratios | \$ 500,000 |
| D: Operating support for Information Technology | \$ 100,000 |
| E: Annual Support for Instructional Equipment | \$ 500,000 |
| F: Debt Service -- Line of Credit | \$ 130,000 |
| TOTAL | \$1,950,000 |

Schlereth clarified that the debt service outlined in F above would provide the University the ability to increase the proposed line of credit from \$3,000,000 to \$4,000,000 thereby permitting the campus to eliminate the current backlog in instructional equipment purchases.

Schlereth concluded the presentation by indicating that he and Farish believed that to further differentiate SSU, the expansion of the Residence Community was appropriate (projected to be

self-financing) as well the creation of a University center, projected to funded by additional reengineering efforts in Administration and Finance and revenue from Sonoma State Enterprises.

Schlereth closed the presentation by stressing the importance of a differential SUF indicating that should the campus conclude that such a new fee be inappropriate, then the ability to differentiate would, in effect, be eliminated. Under such a scenario, SSU would continue along a similar path as other CSU campuses with certain important implications including:

Course fees would continue and likely proliferate;

Class availability would diminish;

Student/Faculty ratios would rise;

Instructional Equipment would not be purchased;

Efforts in information technology would be sharply curtailed.

In addition, he indicted that :

Efforts to improve the campus infrastructure through the issuance of debt would be unnecessary, housing growth would not be needed and plans for University would be reduced to include only a replacement for the campus bookstore.

Don Farish then commented that it was important to keep in mind that the campus had really two options as it looked to the upcoming fiscal years. One option was to take a dramatic step forward via the adoption of the multi-year financial plan. The other was to take a dramatic step backward since failure to adopt the plan would leave the campus without a way to finance a variety of important initiatives currently funded with one-time resources. He noted that it was not possible to SSU to maintain the status quo.,

Discussion then ensued. Dennis Harris stated the importance of having wide discussion of the plan particularly with the CRC, the VPBAC, the Academic Senate and the Associated Students. Farish and Schlereth agreed and promised to work with the appropriate personnel to schedule the presentations.

Victor Garlin commented on items the Plan did not finance including investment in the faculty via sabbaticals, faculty development etc. He also stated that he believed that SSU was, in many ways, already differentiated from other CSU campus and hoped that the President would offer specific additional features that he believed would enhance the campus's differentiation. Farish indicated that as a result of PBAC efforts in the Fall, 1995 semester, for the first time in SSU history, \$200,000 had been found to finance faculty development on a permanent basis. He also indicated that it was important to identify those items that the students perceived to have value. Farish finally indicated that the key factor of differentiation iwas the ability to maintain SSU has a small campus. In addition, without considerable differences in retention and graduation rates between SSU and other CSU campuses, it would be difficult for the campus to resist pressures for growth from the Trustees.

Steve Wilson commented that he believed perception was a key variable and that it was important for students to perceive SSU was a high quality institution.

Victor Garlin commented that it while he believed that physical appearance of the campus was important, it was also important that it not be an illusion of a high quality campus. He again stressed the importance of investments in the instructional program of the University. Garlin continued by commenting that the issue of chair-time support and curricular innovation were unfunded by the Plan. Farish responded by indicating that curricular innovation had been addressed during the Fall, 1995 semester and again reminded the PBAC that in discussions of a differential SUF, it was important to

keep my mind the students' perception of what was important.

Dennis Harris indicated that he believed students came to SSU for a variety of reasons including the landscape, the pastoral setting and importantly the distinctiveness of certain academic programs including the Hutchins School as an example.

Carol Cinquini indicated that she was concerned about the ability of staff to maintain its technical expertise given the changes in technology etc. She urged the campus to keep in mind the importance of staff training and development. She also reflected her belief that if SSU was to be successful, it would be up to the local campus community to make its own salvation.

Melinda Barnard stated that she believed that in planning for the future, it was not always wise to consider the past since the students of the 21st century and the environment of the present was decidedly different from the past.

Rand Link, commented that he believed student input and involvement with the Plan was important to its success.

The Committee then considered appropriate next steps and agreed that at its next meeting, it would continue discussion on the Plan. It also urged Farish and Schlereth to make presentations regarding the plan to the Associated Students, the Staff Council, the Academic Senate, and the VPBAC.

Farish adjourned the meeting at 5:05 PM.,

Minutes prepared by Larry Furukawa-Schlereth

**PRESIDENT'S BUDGET ADVISORY COMMITTEE
DRAFT MINUTES
March 12 , 1996**

MEMBERS PRESENT:

Don Farish, Co-Chair, Larry Furukawa-Schlereth, Co-Chair, Melinda Barnard (for Bill Barnier and Marty Ruddell), Carol Cinquini, Neil Markley, Dennis Harris, Rand Link, Charles Merrill, Steve Wilson, Katharyn Crabbe, Les Adler, Paul Crowley, Margarita Zuniga, Letitia Coate , Victor Garlin, Larry Clark, Jim Meyer, and Tracy Terrill. (Periodically, Tracy Terrill had to be absent from the meeting. During these times, he was represented by Andrea Todd).

STAFF PRESENT: Bill Ingels

The meeting was called to order by Don Farish at 3:10 PM who asked for a motion to approve the minutes of February 27, 1996. The minutes were changed to reflect the individual representing Tracy Terrill at the February 27, 1996, meeting. Andrea Todd was Terrill's representative, not Dawn Bohte. With this change, the minutes were approved with all members supporting approval except Margarita Zuniga who abstained from voting.

Farish then informed the PBAC that briefing sessions for the Academic Senate and the Staff Council regarding the Multi-Year Financial Plan had been scheduled for March 28 and April 11 respectively. In addition, the Vice President for Academic Affairs Budget Advisory Committee (VPBAC) was scheduled to hear a presentation of the Plan on March 19, 1996, while the Campus Reengineering Committee would review the Plan at their March 15, 1996, meeting. A meeting with the Associated Students was in the process of being scheduled.

Schlereth then presented three revisions to the Multi-Year Financial Plan reproduced below:

**REVISIONS TO THE MULTI-YEAR FINANCIAL PLAN
1996-2000**

1. After additional discussion and analysis, the Provost and the Chief Financial Officer believe it appropriate to ask Intercollegiate Athletics to generate resources needed for gender equity in 1996-1997 from external fund-raising sources or internal departmental reengineering activities.

The Provost and Chief Financial Officer also recommend that resources needed to finance salary increases in certain Independent Operations account be accommodated internally by the units in question.

Resources generated by these actions total \$60,000. It is the recommendation of the Provost and the Chief Financial Officer that this money be allocated to Academic Affairs to finance an Academic Budget Officer.

2. The Provost and the Vice President for Student Affairs have agreed that clerical support in the Office of Campus Life will be accommodated by the reassignment of an individual from Academic Affairs to Student Affairs.

3. Based on revised information from the CSU, SSU now believes that only \$50,000 of discretionary new resources will be needed for FRS maintenance. Savings totaling \$34,000 represent new "residual resources" and are recommended to be allocated to the campus general fund reserve.

A Schlereth then presented five recommendations (illustrated below) related to the Multi-Year Financial Plan and the 1996-1997 campus budget.

BUDGET RECOMMENDATIONS

1996-1997

1. IT IS RECOMMENDED THAT THE FOLLOWING NEW OR ONGOING EXPENSES, CURRENTLY FUNDED WITH ONE-TIME MONEY BE FINANCED VIA A \$100,000 REDUCTION IN THE CAMPUS GENERAL FUND RESERVE AND A \$200,000 REDUCTION IN GENERAL FUND SUPPORT FOR INSTRUCTIONAL EQUIPMENT:

| | |
|-----------------------------|------------|
| Executive Office OEE | \$ 35,000 |
| Admissions Director | \$ 90,000 |
| Academic Budget Officer | \$ 60,000 |
| Employee Assistance Program | \$ 25,000 |
| Academic Affairs Clericals | \$ 90,000 |
| TOTAL | \$ 300,000 |

2. IT IS RECOMMENDED THAT NEW DISCRETIONARY RESOURCES TO SSU IN 1996-1997 FROM THE CSU, PROJECTED TO TOTAL \$124,000 BE UTILIZED TO FINANCE THE FOLLOWING EXPENSES CURRENTLY FUNDED WITH ONE-TIME MONEY:

| | |
|-----------------------|-----------|
| SAS Operating Expense | \$ 40,000 |
| FRS Maintenance | \$ 50,000 |
| Campus Reserve | \$ 34,000 |

3. IT IS RECOMMENDED THAT THE UNIVERSITY INITIATE AN INTER-FUND LOAN FROM THE SSU PARKING PROGRAM AND THE SONOMA STATE ENTERPRISES TO FINANCE THE FOLLOWING EXPENSES CURRENTLY FUNDED WITH ONE-TIME MONEY OR NOT FUNDED AT ALL. IT IS UNDERSTOOD THAT THE INTERFUND LOAN WILL BE REPAID BY THE GENERAL FUND AT A RATE OF \$200,000 ANNUALLY FROM THE UNIVERSITY RESERVE BEGINNING IN FISCAL 1996-97. IT IS ALSO UNDERSTOOD THAT IF A PERMANENT FUND SOURCE IS NOT IDENTIFIED FOR THESE EXPENSES IN 1997-1998 AND BEYOND THEY WILL REMAIN UNFUNDED UNTIL A FUND SOURCE CAN BE IDENTIFIED

| | |
|--------------------------------------|------------|
| Quality of Instruction | \$ 450,000 |
| Operating Support, Information Tech. | \$ 100,000 |
| Instructional Equipment | \$ 200,000 |
| TOTAL | \$ 750,000 |

4. IT IS RECOMMENDED THAT GENERAL FUND RESOURCES CURRENTLY ALLOCATED FOR MANAGEMENT CONSULTANTS BE REALLOCATED TO ADMINISTRATION AND FINANCE TO ASSIST THE UNIVERSITY WITH GAAP COMPLIANCE ISSUES, THE INCREASED COMPLEXITY OF THE CSU FINANCIAL ENVIRONMENT AND GROWTH IN THE FOUNDATION ENDOWMENT.

5. IF CSU POLICY PERMITS, IT IS RECOMMENDED THAT AN ADDITIONAL LANDSCAPE POSITION IN ADMINISTRATION AND FINANCE BE FINANCED FROM THE SSU PARKING PROGRAM.

Steve Wilson then moved to adopt the recommendations of Farish and Schlereth with respect to the 1996-1997 budget. The motion was seconded by Letitia Coate. Harris then moved to divide the motion and take each recommendation in turn. Farish ruled that the Harris motion superseded the Wilson motion

and a vote was therefore taken on the Harris motion. The Harris motion passed with one nay vote (Katharyn Crabbe) and no abstentions.

Crabbe then introduced a motion to approve Recommendation 1 (reproduced below). A second was obtained from Carol Cinquini.

1. IT IS RECOMMENDED THAT THE FOLLOWING NEW OR ONGOING EXPENSES, CURRENTLY FUNDED WITH ONE-TIME MONEY BE FINANCED VIA A \$100,000 REDUCTION IN THE CAMPUS GENERAL FUND RESERVE AND A \$200,000 REDUCTION IN GENERAL FUND SUPPORT FOR INSTRUCTIONAL EQUIPMENT:

| | |
|-----------------------------|------------|
| Executive Office OEE | \$ 35,000 |
| Admissions Director | \$ 90,000 |
| Academic Budget Officer | \$ 60,000 |
| Employee Assistance Program | \$ 25,000 |
| Academic Affairs Clericals | \$ 90,000 |
| TOTAL | \$ 300,000 |

Prior to discussing the motion, it was agreed, by consensus, that analysis prepared by Wilson with respect to the Farish/Schlereth Recommendations for 96-97 should be distributed to PBAC members. While the analysis was being distributed, a brief discussion took place with respect to the revisions to the Multi-Year Financial Plan presented by Schlereth. Farish and Schlereth clarified that the recommendation related to gender equity financing for fiscal 96-97 (\$30,000) and salary increases in Independent Operations (\$30,000) were to be seen as on-going in nature.

Discussion then ensued with respect to gender equity in the athletics program. Several questions were raised by Committee Members including:

- (1) Should the Athletic Director address the PBAC regarding the revision? the recommendation?
- (2) Was it possible to provide some new general fund support to Athletics in 1996-97?
- (3) What was the probability of raising external support for the Program?

After discussion, the PBAC determined it was not appropriate to ask the Athletic Director to make a presentation to the PBAC. Moreover, information was provided to the Committee that indicated that additional support for athletics could be obtained from outside sources. The PBAC also recognized that alternatives other than additional resources could be deployed within Athletics to resolve the 96-97 gender equity issue. Committee members agreed that while nearly every unit on campus had sustained real budget cuts since 1991, the athletic budget had not been touched although funding sources for the program had clearly changed. By general consensus, the PBAC concluded it was appropriate to ask Athletics to finance gender equity internally in 96-97 although Victor Garlin noted that the PBAC and the campus needed to keep in mind that the issue of gender-equity represented an important and worthy goal for Sonoma State University.

Farish then responded to Dennis Harris's question related to the academic budget officer and whether this item had been discussed with the VPBAC. Farish indicated that a discussion had not taken place during the current semester but that the budget officer position was the highest priority item that was not be funded in fiscal 95-96. Les Adler confirmed VPBAC support for the position and Carol Cinquini stressed the importance of the position for efficient and cost effective financial management in Academic Affairs.

The PBAC then turned to the motion on the floor related to Recommendation #1. It was clarified that resources for instructional equipment were provided in Recommendation #3 and that the items projected to be financed by Recommendation #1 represented ongoing expenses that needed a permanent fund source.

Recommendation #1 was then approved by the PBAC with one abstention (Harris)

Dennis Harris then introduced a motion to approve Recommendation 2 (reproduced below). A second was obtained from Charles Merrill.

2. IT IS RECOMMENDED THAT NEW DISCRETIONARY RESOURCES TO SSU IN 1996-1997 FROM THE CSU, PROJECTED TO TOTAL \$124000 BE UTILIZED TO FINANCE THE FOLLOWING EXPENSES CURRENTLY FUNDED WITH ONE-TIME MONEY:

| | |
|-----------------------|-----------|
| SAS Operating Expense | \$ 40,000 |
| FRS Maintenance | \$ 50,000 |
| Campus Reserve | \$ 34,000 |

The Recommendation was approved unanimously.

Charles Merrill then introduced a motion to approve Recommendation 3 (reproduced below). A second was obtained from Kathryn Crabbe

3. IT IS RECOMMENDED THAT THE UNIVERSITY INITIATE AN INTER-FUND LOAN FROM THE SSU PARKING PROGRAM AND THE SONOMA STATE ENTERPRISES TO FINANCE THE FOLLOWING EXPENSES CURRENTLY FUNDED WITH ONE-TIME MONEY OR NOT FUNDED AT ALL. IT IS UNDERSTOOD THAT THE INTERFUND LOAN WILL BE REPAID BY THE GENERAL FUND AT A RATE OF \$200,000 ANNUALLY FROM THE UNIVERSITY RESERVE BEGINNING IN FISCAL 1996-97. IT IS ALSO UNDERSTOOD THAT IF A PERMANENT FUND SOURCE IS NOT IDENTIFIED FOR THESE EXPENSES IN 1997-1998 AND BEYOND THEY WILL REMAIN UNFUNDED UNTIL A FUND SOURCE CAN BE IDENTIFIED

| | |
|---------------------------------------|------------|
| Quality of Instruction | \$ 450,000 |
| Operating Support, Information Tech., | \$ 100,000 |
| Instructional Equipment | \$ 200,000 |
| TOTAL | \$ 750,000 |

Discussion ensued. Dennis Harris indicated that while he understood the rationale behind the Recommendation for fiscal 96-97, he was troubled by it since it implied that funding for class sections and instructional equipment could be materially curtailed in 97-98 and subsequent fiscal years. Farish responded to the concern by stating the importance of the acting affirmatively on the proposed differential state university fee (DSUF) which would permanently finance these items beyond 1996-1997. Harris suggested that the , VPBAC consider the consequences of the Recommendation should a DSUF not materialize. Farish indicated that this would be done but reminded the Committee that the present selection of course sections (among the best in the CSU) was financed with one-time money in 95-96, and that the course schedule for 96-97, again one of high quality and availability, was built with the assumption that Recommendation #3 would be approved. He again stressed the importance of the DSUF for 97-98 and beyond.

Carol Cinquini asked now the inter-fund loan would be repaid if the DSUF was not initiated. Schlereth indicated that Recommendation #3 called for loan to be repaid over a six year period by the University Reserve. Carol restated her understanding that if the motion passed, SSU would incur a six year debt, to be repaid by the University Reserve, leaving the campus with no real emergency reserve for that period of time.

Charles Merrill indicated that the Recommendation, if approved, would permit the campus the time to plan a course of action should the DSUF not be enacted. He indicated that if the Recommendation was not approved, the campus would have no choice but to curtail sections and eliminate financing for instructional equipment effective July 1, 1996.

Larry Clark suggested that if the DSUF was not approved there were, perhaps, other things that could be done to meet identified needs in Academic Affairs. Farish and Schlereth responded that this was not likely since inter and intra-divisional reallocation was not viable given the condition of base budgets campus-wide.

Victor Garlin indicated that it was important to focus on bringing new revenue to the campus either in the form of additional support from the State or in the form of the DSUF. He stressed the need to make the case for the DSUF to the student body so that planning for cuts in part-time faculty staffing and instructional equipment could be avoided.

Don concurred with Garlin's view and stressed that he and Schlereth hoped that the PBAC would, at subsequent meetings, fully analyze the merits of a DSUF, and then assist with discussions among the student body regarding the need for a differential state university fee at SSU.

Tracy Terrill indicated that in discussions with students regarding any new fee, it was important to incorporate what students would specifically gain by supporting a new fee. He also urged the Cabinet to fully consider the political impact of other fees discussions (Health Center, Open Recreation and Technology) on the DSUF discussion.

Melinda Barnard expressed concern regarding how the campus could ask students to pay an additional fee for something they currently have. Farish indicated it was important for students and faculty to realize that all the items currently funded in the instructional program could not be financed after 96-97. Approval of the Recommendation provided the time for students and the entire campus to evaluate whether it was prudent to make profound cuts in instruction or move to a DSUF.

Schlereth stressed that it would be difficult for the instructional program to adjust to a \$750,000 cut effective July 1, 1996 if the Recommendation was not approved. Crabbe concurred indicating that the class schedule for 96-97 was essentially complete. Wilson urged the Committee to approve the Recommendation so that the budget for 96-97 could be finalized and the PBAC could take up the more important task of planning for 97-98 and beyond.

A vote was then taken on the Recommendation which was unanimously approved with one abstention (Harris)

Steve Wilson then introduced a motion to approve Recommendation 4 (reproduced below). A second was obtained from Letitia Coate

4. IT IS RECOMMENDED THAT GENERAL FUND RESOURCES CURRENTLY ALLOCATED FOR MANAGEMENT CONSULTANTS BE REALLOCATED TO ADMINISTRATION AND FINANCE TO ASSIST THE UNIVERSITY WITH GAAP COMPLIANCE ISSUES, THE INCREASED COMPLEXITY OF THE CSU FINANCIAL ENVIRONMENT AND GROWTH IN THE FOUNDATION ENDOWMENT.

The Recommendation was unanimously approved with one abstention (Clark)

Steve Wilson then introduced a motion to approve Recommendation 5 (reproduced below). A second was obtained from Letitia Coate

5. IF CSU POLICY PERMITS, IT IS RECOMMENDED THAT AN ADDITIONAL LANDSCAPE POSITION IN ADMINISTRATION AND FINANCE BE FINANCED FROM THE SSU PARKING PROGRAM.

The Recommendation was approved with two no votes (Barnard, Harris) and one abstention Cinquini.

Steve Wilson then moved the following motion which was seconded by Letitia Coate

"To adopt a 1996-1997 General Fund and Lottery working budget for planning purposes as presented in Attachments A - Revenue Assumptions and B - Budget Allocations, which incorporates the recommendations of Provost Farish and Vice-President Schlereth presented to the PBAC. The following general provisions apply:

1. Any additional unrestricted resources that may come to the campus in excess of existing General Fund and Lottery assumptions will be allocated to the Campus Reserve.
2. All allocations are made to the division executive. Distribution within each division is the respective VP's responsibility.
3. Any reduction to the revenue assumptions resulting from passage of the final budget in an amount greater than \$100,000 will be brought back to the PBAC for disposition. Any amount less than \$100,000 will be adjusted by mutual agreement of the Provost and the Vice-President for Administration and Finance.

ATTACHMENT A - REVENUE ASSUMPTIONS - 1996-1997

| | Appropriation | Revenue | Lottery | Total |
|-----------------------------|---------------|--------------|-----------|--------------|
| 95-96 Base | \$35,664,181 | \$11,919,413 | \$319,000 | \$47,902,594 |
| 96-97 Change | \$ 2,662,214 | \$ -39,413 | 0 | \$ 2,622,801 |
| 96-97 Base | \$38,326,395 | \$11,880,000 | \$319,000 | \$50,525,395 |
| Foundation Surplus 95-96 | | | | \$ 200,000 |
| SSE Loan | | | | \$ 200,000 |
| Parking Loan | | | | \$ 550,000 |
| AVAILABLE FOR ALLOCATION | | | | \$51,475,395 |

ATTACHMENT B - BUDGET ALLOCATIONS

PROPOSED BASE BUDGETS - 1996-1997

| | |
|-------------------------------|--------------|
| UNIVERSITY WIDE | \$14,460,504 |
| EXECUTIVE OFFICE | \$ 898,385 |
| ACADEMIC AFFAIRS | \$27,905,854 |
| STUDENT AFFAIRS | \$ 1,189,404 |
| ADMINISTRATION AND FINANCE | \$ 6,071,248 |
| TOTAL | \$50,525,395 |

ALLOCATION OF ONE TIME FUNDS IN 1996-1997

| | |
|--|------------|
| Foundation | |
| Foundation 95-96 Surplus | \$ 200,000 |
| SSE Loan | \$ 200,000 |
| Parking Loan | \$ 550,000 |
| TOTAL | \$ 950,000 |
| Finances | |
| Quality of Instruction | \$ 450,000 |
| Curricular Innovation/Faculty Development | \$ 200,000 |
| Operating Expense, Information Technology | \$ 100,000 |
| Instructional Equipment | \$ 200,000 |
| TOTAL | \$ 950,000 |

The motion was approved unanimously with no abstentions.

Farish adjourned the meeting at 5:05 PM.

Minutes prepared by Larry Furukawa-Schlereth

PRESIDENT'S BUDGET ADVISORY COMMITTEE**DRAFT MINUTES****APRIL 2 , 1996****MEMBERS PRESENT:**

Don Farish, Co-Chair, Larry Furukawa-Schlereth, Co-Chair, Melinda Barnard (for Bill Barnier) Marty Ruddell, Neil Markley, Dennis Harris, Rand Link, Charles Merrill, Steve Wilson, Les Adler, Paul Crowley, Margarita Zuniga, Letitia Coate , Larry Clark, Jim Meyer, and Tracy Terrill. (Periodically, Tracy Terrill had to be absent from the meeting. During these times, he was represented by Andrea Todd).

STAFF PRESENT: Bill Ingels

The meeting was called to order by Don Farish at 3:15 PM who asked for a motion to approve the minutes March 12 which were approved unanimously. Farish informed the Committee that Carol Cinquini, was not present at today's meeting since her position has been reclassified into the Management Personnel Plan. He informed the PBAC that the Staff Council was in the process of selecting a new PBAC representative who would likely be present at the next meeting.

Farish then turned to Larry Furukawa-Schlereth who presented the first agenda item: the University's audited financial statements for fiscal year 1994-1995. Schlereth informed the PBAC that a copy of the audit was included in the agenda packet and encouraged members to review the information and bring questions to the April 16 PBAC meeting.

Schlereth then presented the second agenda item related to potential questions about a variety of information items previously sent to the members and included with the agenda packet. The items related to a variety of budget transactions, outside the purview of the PBAC, and approved by the President for fiscal 1996-1997. These included the Financial Services Reengineering model the repair of the Parking Lots, the Pub Renovation, the Housing Deferred Maintenance Program and additional support for custodial supervision. There were no questions from the members regarding these items.

Farish then presented the third agenda item - a further discussion of the proposed differential state university fee (DSUF). He distributed an outline on the topic which is attached.

Don highlighted the key points of the outline indicating that he hoped the members would see the document as a starting point and that from continued discussion and revision, a written statement on the DSUF would emerge.

Discussion ensued. Steve Wilson asked if it was likely that the Trustees would act on the revision to the student fee policy in May. Farish indicated that he could not say for certain but both he and Schlereth anticipated that this would be the case. Dennis Harris noted that perhaps something should be added to the outline that would indicate what would happen to SSU if the proposed DSUF was not enacted. He also noted that the outline did not reflect a variety of items that had been discussed by the Vice-President for Academic Affairs Budget Advisory Committee (VPBAC).

Farish responded by indicating that the outline had been shared with the VPBAC and asked Melinda Barnard and Les Adler, both members of the VPBAC, to comment on the VPBAC discussion. Barnard indicated that the VPBAC felt that if the DSUF were to be successful with the students, it would be necessary for the proposal to have broad enough appeal so that students and faculty could personalize the proposal and recognize its importance.

Adler indicated that discussion in the VPBAC also included a sense that certain items were missing from the outline including the need for more interaction between faculty and students both inside and outside

the classroom. He cited examples such as using the financial aid portion of the proposed DSUF to finance student employment in various research projects with faculty acting as mentors. Adler also mentioned the definition of instructional equipment needed to be broadened to include items like training materials, software etc. Adler concluded by stating he felt that direct one-on-one or small group dialogue was important to help shape the parameters of the proposed DSUF.

Rand Link supported Adler's comments regarding student employment indicating national studies document that students who work on campus have higher retention rates. Barnard indicated that she also found the idea of enhanced student employment opportunities as being very attractive and agreed with Adler's comments related to equipment.

Harris raised the issue of how far the PBAC wished to go in expanding the list of what the DSUF would be used for. He pointed out that a real budget constraint existed. Barnard suggested that a tradeoff would likely be necessary. Jim Meyer commented that the DSUF was similar to fundraising. People, he said generally support visions and dreams. He cautioned that it was important not to paint a picture of doom and gloom.

Schlereth compared the DSUF to the recent Proposition 203 campaign. He stated that he believed the measure was successful, in part, because it had the support of a variety of respected groups such as the PTA even though the effort for passage was coordinated by the Californians for Higher Education. He suggested with respect to the DSUF, that some local campus body should fulfill the coordinating role with endorsements from a variety of campus groups including the Associated Students, the Staff Council and the Academic Senate prior to the issue being placed before the students in referendum. To obtain those endorsements, he commented that members of the coordinating body, who he believed should be the PBAC, should join Farish and himself as they presented the DSUF proposal to the various campus groups for discussion and feedback.

Harris agreed that the PBAC should be the coordinating body but raised concern that the PBAC not endorse the DSUF until more specifics were clarified. Barnard agreed indicating that the various campus groups needed to have more time to provide input with respect to what would be funded by the fee should it be imposed.

Farish concurred but indicated that at some point, he would like to see approval of the DSUF by the PBAC at least at the conceptual level. Otherwise, the proposal would continue to be seen only as an administrative concept. Wilson concurred stating that he believed the PBAC role was one of strategic financial planning and the DSUF represented a strategic decision related to the campus's overall financial health. Larry Clark also agreed the PBAC should support the DSUF concept reminding the PBAC it had already endorsed the concept of mortgaging the campus's future through the interfund loan strategy for finance the upcoming fiscal year.

Meyer indicated that the most important group to consider was the students. He questioned where they were on the issue. Andrea Todd indicated that it would be difficult to sell the concept of a DSUF unless the students see something tangible and of real benefit to them. She supported Adler and Barnard's concept regarding the definition of instructional equipment. Neil Markley said he believed there was some support among the students for the DSUF. He said that he had heard some students report that the proposed new fee was not a lot of money for all the things the students would receive. He did comment, however, that some concern existed among the student body regarding whether other student fees (Health Center, Associated Students, IRA, Student Union, Technology Fee etc) would be increased. Meyer suggested that as part of the DSUF discussion, the University should consider a policy that would guarantee stability in campus-based fees for periods of four years.

Harris asked if analysis was being done by Admissions and Records with respect to the impact of the DSUF on student enrollment. Farish indicated that the Director of Admissions and Records was currently out of the country but that he try to obtain this data.

Harris then moved that the PBAC endorse the concept of the Differential State University Fee as a first reading. A second was obtained from Marty Ruddell. Acceptance of the DSUF for first reading was

approved by consensus.

Barnard raised concern about moving too fast. She cautioned that some faculty saw the DSUF as mechanism to fund the pet projects of the administration.

Don clarified that the motion did not specify what would be financed with the DSUF. Rather it only endorsed the DSUF as a concept.

Letitia Coate indicated her support for the motion as did Rand Link who suggested that the PBAC develop a timeline for what needed to be done working backwards from the date of the referendum.

Tracy Terrill indicated that he could not be certain what the Associated Students would do with the DSUF proposal. Current thinking, he indicated was to make no comment on the DSUF other than to argue that it should be placed before the students for a referendum vote. He commented that he was somewhat concerned that a referendum on the DSUF might not take place. Farish assured Terrill that the President was committed to a referendum on this issue. Farish also indicated that he hoped, at some point prior to the referendum, the Associated Students would formally endorse the DSUF concept along with the Academic Senate and the Staff Council. He acknowledged that such endorsements might not be possible know since many details needed to be resolved. By Fall, however, a detailed proposal would be complete and ready for debate and endorsement.

Ruddell suggested that the discussion at today's meeting suggested a need to further refine the DSUF outline incorporating the suggestions of the VPBAC and the PBAC. She asked if it might be possible for a sub-committee of the PBAC to complete this task prior to the next meeting. Farish indicated that he actually had planned on doing this and would bring a revised document to the April 16 meeting.

Discussion then turned to how the PBAC might solicit more feedback to develop and refine the DSUF proposal. Charles Merrill raised the possibility of a convocation. Barnard indicated that she favored small informal sessions. Ruddell commented that whatever strategies were ultimately employed, it was important to get rather specific quickly. Vague notions, she argued, were easy to attack.

Harris suggested that perhaps the VPBAC should be charged with formulating the list of items to be financed via the DSUF. Farish indicated that he saw no major problem with this idea but argued that he believed the PBAC was the group to take primary overall leadership for the DSUF initiative. He expressed concern that some campus members might withhold support for the initiative unless their particular item was funded. He reminded the committee of the hole in the campus budget and the need to rise above special interests and look at what is best for the University as a whole. He indicated that he would prepare a first draft of a document more fully describing the DSUF and incorporating comments received to date. The Committee agreed to review this draft as part of its second reading of the differential state university fee proposal.

Farish then adjourned the meeting at 5:05 PM.

Minutes prepared by L. Furukawa-Schlereth

**PRESIDENT'S BUDGET ADVISORY COMMITTEE
DRAFT MINUTES
APRIL 16 , 1996**

MEMBERS PRESENT:

Don Farish, Co-Chair; Larry Furukawa-Schlereth, Co-Chair; Marty Ruddell; Neil Markley; Dennis Harris; Rand Link; Charles Merrill; Steve Wilson; Les Adler; Paul Crowley; Margarita Zuniga; Letitia Coate ; Larry Clark;; Carol Cinquini, Jim Meyer; and Tracy Terrill. (Periodically, Tracy Terrill had to be absent from the meeting. During these times, he was represented by Andrea Todd).

STAFF PRESENT: Bill Ingels

GUESTS PRESENT: Nancy Reynolds

The meeting was called to order by Don Farish at 3:11 p.m. who asked for a motion to approve the minutes of April 2 which were approved unanimously. Farish then welcomed Carol Cinquini "back" to the Committee indicating that the Staff Council had determined that it was appropriate for Carol to continue representing the staff on the PBAC through the end of the 95-96 academic year.

Farish and Schlereth also reported on two policy changes made by President Armi-ana. The President has asked the PBAC to serve as an advisory body on the creation of any new student fee as well as requests to increase existing student based fees. In addition, the President has indicated that the concept of a four year guarantee not to increase campus based student fees is acceptable to him assuming the campus enacts a DSUF. Tracy Terrill questioned whether the DSUF would be subject to Trustee mandated increases in the State University Fee. Farish indicated that this would not be the case.

Schlereth then introduced the first agenda item by asking if there were questions regarding the University's audited financial statements for fiscal year 1994-1995 which had been distributed at the April 2 meeting of the PBAC. Schlereth and Steve Wilson responded to two general questions related to (1) the definition of restricted and unrestricted financial aid grants (Link) and (2) the composition and method of calculation of equipment (Farish, Merrill and Clark).

Farish then presented the third agenda item--a further discussion of the proposed differential state university fee (DSUF). He indicated that the issue had received favorable coverage in the Press Democrat referencing an editorial which suggested that the DSUF and its proposed method of implementation was a "double good idea" -- first asking if the concept was worthy to ensure quality and second putting the question to a student referendum.

Farish also identified which campus groups had had the opportunity to hear presentations on the Multi-Year Financial Plan (the Plan). Specifically presentations have been made to the PBAC, the Academic Senate, the Staff Council, the Campus Reengineering Committee (CRC) and the Vice-President for Academic Affairs Budget Advisory Committee (VPBAC). Presentations are scheduled for the Associated Students and the Department Chairs. Farish noted that while these presentations were a good first step, significant dialogue with, among and between faculty, staff and students had yet to take place. He suggested that as discussion moved forward on the Plan, it was critical that the differential state university fee proposal be seen as but one part of a variety of initiatives associated with the Plan including efforts to materially improve the campus infrastructure and physical plant, expand the Residence Community and construct a University Center. Failure to grasp the comprehensive nature of the Plan and the relationship between the DSUF and these other aspects could, Farish suggested, cause the students to reject the DSUF.

Farish also indicated that the key issue associated with the Plan was an issue of expectations. He noted that broad consensus existed at SSU regarding the size, ambiance and style that was Sonoma State University. At the same time, as a result of state-wide demographics and full utilization at most other CSU campuses, the very things so strongly valued at SSU were at risk as the CSU Trustees and public

policy makers grapple with the problem of how to educate as many as 200,000 new students in the CSU by the year 2005. Farish made the point that if SSU expected to maintain its intimate and small size, clearly the campus would need to distinguish itself from other CSU institutions. Differentiation, particularly a campus distinguished by a relatively small enrollment, class availability, state of the art equipment and exceptional technology could not be maintained within the existing funding and pricing structure that currently finances SSU's operations. Farish concluded his opening comments by suggesting that the Multi-Year Financial Plan and the DSUF were perhaps the most important issues to be faced by the campus in its history and that the faculty, staff students and administrators were all asked to make a choice regarding what they wanted SSU to become.

Discussion then ensued.

Dennis Harris reported on feedback he had been hearing on the campus as a result of presentations of the Plan. Four issues were raised including:

1. Is the money from the DSUF really needed. Couldn't the budgets of the Executive Office, Administration and Finance and Student Affairs be cut to meet the needs of Academic Affairs?
2. Concern with the concept of a "public ivy,"
3. Perception that the DSUF is a done deal and represents the agenda of Farish and Schlereth.
4. Concern over how money generated by a DSUF would be spent.

Farish thanked Harris for reporting on the feedback and concurred that the words "public ivy" were not the best. He indicated that the concept of SSU being the public university of choice for undergraduate education in California was more appropriate and generally endorsed by the SSU campus community.

Terrill asked if clarification could be obtained regarding a comment made by CSU Chancellor Barry Munitz related to a potential reduction in general fund appropriations for those campuses who adopted a DSUF. Farish responded by saying that it was his understanding that this concept was a trial balloon that met with general disfavor among the CSU Presidents. It was unlikely that the concept would become reality since it would eliminate the incentive of creating a DSUF in the first place. Harris indicated that language could be inserted in the referendum indicating that should the concept be implemented, the DSUF would be eliminated.

Carol Cinquini commented on issues that she saw as important related to the DSUF. Specifically, she indicated that the idea of adequate course sections making it relatively easy to graduate in four years represented a significant value since students would be able to enter the work force more quickly and reduce the cost of higher education by shortening the time to degree. She also pointed out that the DSUF would be incorporated into the calculation of a student's financial aid package.

Terrill raised the question of how the DSUF concept would impact the three tiers of public higher education in California. He noted that the DSUF would make some campuses not quite a CSU campus but not a UC institution either.

Harris then moved to table, until the April 30, 1996 PBAC meeting, a vote on the DSUF concept for SSU raised in a first reading on April 2, 1996 and in second reading for action at the present meeting. A second was obtained by Marty Ruddell.

Discussion then ensued on the motion to table.

Farish asked Harris what he thought could be learned between the present and April 30. Harris responded that waiting would permit time for the Associated Students to hear a presentation on the Multi-Year Financial Plan and for the VPBAC to take an official action either endorsing or rejecting the Plan.

Wilson argued against the motion indicating the role of the PBAC was to make strategic financial recommendations to the President. He also pointed out that it was important for the PBAC to take ownership of the concept in order that it not be seen as a Farish/Schlereth idea. Harris responded by indicating that he believed Wilson to be correct but that it was important for the PBAC to know the feelings of the VPBAC on this issue since the DSUF impacted primarily the instructional program.

Charles Merrill argued against the motion indicating he was not confident that VPBAC would take action on the item prior to April 30. In addition, he suggested that the PBAC should endorse the DSUF in concept and then begin the process of working out the specifics with the help of the VPBAC.

Terrill argued against the motion arguing he was prepared to vote on the DSUF in concept at today's meeting.

Cinquini argued against the motion indicating the the issue had been on the table for several months, that it had been publicized in the Press Democrat and that much was at stake. She argued the PBAC needed to move quickly.

Ruddell argued in favor of the motion indicating she felt it unwise to vote prior to the presentation to the Associated Students.

Farish commented that he did not wish the PBAC to do anything now that it was not fully prepared to do.

Rand Link argued against the motion indicating he saw no need to wait for a vote. He concurred with Wilson that it was time for the PBAC to take ownership for the concept.

Harris then withdrew his motion with the concurrence of Ruddell.

Harris then called the question related to the motion made on first reading at the April 2, 1996 PBAC meeting related to the DSUF. The motion was re-read to the Committee and is reproduced below:

Harris then moved that the PBAC endorse the concept of the Differential State University Fee.

Terrill offered the following substitute motion:

Approve the State University Fee Differential as a concept to take to the students via a binding referendum in Fall, 1996 which will include a contract with students that there will be a four year moratorium on new campus based fees and a four year moratorium on any increases in existing campus-based fees. In addition, proceeds from the State University Fee Differential will be allocated among identified categories on a percentage basis which shall not change for at least four years.

Farish asked Harris if he would accept Terrill's motion as a friendly amendment to the Harris motion. After discussion, Harris argued that because Terrill's motion was substantially different from his own, he could not accept the Terrill motion as a friendly amendment.

A second to the Terrill motion was then obtained from Margarita Zuniga.

Discussion then ensued.

Terrill indicated that the key reason he wished to maintain the language of his motion was that it served to codify the legislative intent of the DSUF proposal.

Harris suggested, not disagreeing with Terrill, that it was difficult to codify the legislative intent until agreement had been reached regarding how the DSUF proceeds would or should be utilized.

Farish agreed pointing out that until further discussion and debate took place and campus consensus reached on how the DSUF would be utilized, it was prudent to keep an endorsement of the DSUF

concept as broad as possible.

Terrill indicated that he wished to define the DSUF, provide structure and general parameters that could then be fleshed out. He indicated that it was difficult to endorse a concept without understanding the basis parameters.

Les Adler indicated that he supported Terrill's thoughts but would prefer the motion language to be kept fairly general and then let students and faculty indicate agreement once the specifics and details had been determined.

Cinquini then offered a friendly amendment to the Terrill motion which is reproduced below:

Approve the State University Fee Differential as a concept to take to the students via a binding referendum in Fall, 1996 which will include a contract with students that there will be a four year moratorium on new campus based fees and a four year moratorium on any increases in existing campus-based fees.

Terrill did not accept the friendly amendment.

Link spoke in opposition to the Terrill motion indicating that additional information was needed particularly with regard to the concept of a four year moratorium on campus-based fees should the DSUF be enacted.

Harris asked a technical question regarding who actually would write the referendum language. Schlereth responded that under the proposed Trustee policy on Student Fees a committee appointed by the President, whose majority members would be students would write the referendum language.

Merrill commented that he sensed that it might not be possible to obtain an affirmative vote on the Terrill motion and perhaps it might be better to withdraw it and bring the motion back at a later meeting. Another alternative, Merrill argued, could be the creation of a substitute motion.

Terrill responded that he would rather have a vote taken on his motion as presented.

Larry Clark raised concern about the impact of a negative vote at the PBAC level on the Terrill motion.

Schlereth then suggested to Terrill that he believed consensus existed among the PBAC on most of the Terrill motion. Specifically he noted that he felt Committee members agreed with the concept of a binding referendum and were also supportive of a four-year moratorium on new campus-based fees or increases to existing student based fees. He urged Terrill to reconsider accepting the Cinquini friendly amendment since it did not diminish student control over the ultimate disposition of any DSUF proceeds and permitted the PBAC to endorse the DSUF concept in an affirmative fashion.

Terrill concurred and accepted the friendly amendment.

Bill Ingels then questioned whether the proposed four-year moratorium on campus-based student fees applied to the Student Union Corporation. Terrill indicated that it did. Ingels then questioned the wisdom of this given inflationary pressures faced by entities like the Union.

Farish responded to Ingels but saying he understood Terrill's rationale and that the campus would have to make certain that the various operational needs of campus and its auxiliary corporations were met with the presence of the four year moratorium on fee increases.

Clark then called the question on the Terrill motion as amended which was re-read to the Committee as follows:

Approve the State University Fee Differential as a concept to take to the students via a binding referendum in Fall, 1996 which will include a contract with students that there will be a four year

moratorium on new campus based fees and a four year moratorium on any increases in existing campus-based fees.

The motion passed with no negative votes. Link abstained from voting citing the need for more information regarding the impact of the four-year moratorium on campus-based fee increases or new campus-based fees.

Clark and Merrill complimented Terrill for his excellent work and leadership with respect to the motion. The Committee as a whole concurred with Clark and Merrill by applauding Terrill.

Farish then adjourned the meeting at 4:59 PM.

Minutes prepared by L. Furukawa-Schlereth

[SSU Home](#)

**PRESIDENT'S BUDGET ADVISORY COMMITTEE MINUTES
APRIL 30, 1996**

MEMBERS PRESENT:

Don Farish (Co-Chair) Larry Furukawa-Schlereth (Co-Chair) Dennis Harris, Rand Link, Charles Merrill, Steve Wilson, Les Adler, Margarita Zuniga, Letitia Coate, Larry Clark, Carol Cinquini, Jim Meyer, Victor Garlin, Melinda Barnard and Tracy Terrill.

STAFF PRESENT: Bill Ingels

The meeting was called to order at 3:10 PM by Don Farish who asked for a motion to approve the minutes of April 16, 1996. Rand Link explained that he had reconsidered his vote on the Differential State University Fee (DSUF) taken at the April 16 meeting and that he wished his vote to be recorded as a yes vote rather than an abstention. This change had been made in the minutes which were then approved unanimously.

Larry Schlereth then asked if their questions on the Campus Reengineering Committee (CRC) information item regarding the Line of Credit for Campus Infrastructure. (Written material had been forwarded to the PBAC prior to the meeting- Attached). Tracy Terrill questioned whether it made sense to move forward with the renovation of the Pub given plans to construct a University Center which would contain a new Pub. Schlereth indicated that this issue would need further discussion with students.

Schlereth then introduced a proposed change in budget presentation that had been reviewed by the CRC and was being forwarded to the PBAC for action. (Materials on the proposed change had been forwarded to the PBAC prior to the meeting - Attached). Harris moved that the PBAC approve the Proposed Change in Budget Utilization and Presentation as outlined and forward it to the President with the recommendation that he implement the proposed change for SSU subject to Chancellor's Office approval. A second was obtained from Margarita Zuniga.

Melinda Barnard spoke in favor of the motion indicating that the IRA Board has reviewed the proposed change and endorsed the concept. She noted that it would be particularly helpful to the intercollegiate athletic program. Rand Link also spoke in favor of the motion citing its importance to the Health Center. Carol Cinquini questioned whether the program would be optional. Schlereth informed her that it this would be the case. Bill Ingels spoke in favor of the motion citing its potential importance for the Student Union Corporation.

Harris then asked if there was any objection to waiving the first reading of the item. The Committee agreed to a waiver of the first reading by consensus. A vote was then taken on the motion itself which passed unanimously.

Farish then turned to the question of Multi-Year Financial Plan and the proposed. He reference a draft timeline of activities, reproduced below.

IV: PROPOSED NEXT STEPS: MULTI-YEAR FINANCIAL PLAN

1. Work with Associated Students to obtain agreement
on use of fee proceeds.
(Summer, 1996, Farish/Schlereth, Terrill)
2. Work with Associated Students to develop draft
referendum language and related materials.
(Summer, 1996, Farish/Schlereth, Terrill)

3. Logistical Details Associated with Line of Credit
for Campus Infrastructure
(Summer, 1996, CRC - Schlereth)
4. Develop Financing Plan - University Center
(Summer, 1996, CRC - Schlereth)
5. Appoint DSUF Committee
(September, 1996, President)
7. Complete Housing Demand Study
(October 15, 1996 - CRC- Schlereth)
8. DSUF Committee develops referendum language and
related materials.
(October 31, 1996 - Committee- Farish, Schlereth, Terrill)
9. PBAC reviews DSUF Committee Recommendation to President
(November, 1996 - PBAC)
10. President makes decision regard DSUF, Housing, Line of Credit
(November, 1996 - President)
11. Information Campaign - DSUF
(November-December, 1996 - PBAC, DSUF Committee)
12. Referendum on DSUF
(December, 1996 - Student Body)

Farish also explained that presentations on the DSUF has been made to the Associated Students and that the Department Chairs would hear information on the item at an upcoming meeting. He asked the PBAC for reactions and suggestions to the draft timeline.

Link indicated that he felt the date of the referendum needed to be changed so that compliance with the University's election code could be maintained. He recommended November 20 and 21, 1996.

Victor Garlin informed that PBAC of the California Faculty Association's (CFA) interest in the DSUF indicating that the CFA was concerned about the possibility of two-tiered system of higher education being created in the CSU as a result of the DSUF. He noted that the CFA planned to carefully watch the situation and informed that Committee that the local chapter of CFA at SSU had no position on the matter at the present time. He did note that SSU's CFA planned to sponsor a forum on the CSU budget crisis in general and SSU's financial challenges specifically.

Charles Merrill questioned whether the PBAC needed to meet during the summer months to address the many issues related to the DSUF. Farish indicated that it would depend on committee member's

schedules but consultation, formal and informal, would, no doubt take place with the PBAC over the summer. Merrill recommended regular written briefings and Farish agreed. Merrill also recommended that information on the DSUF be provided and discussed at the Fall convocation.

Larry Clark questioned the role of the DSUF Committee and the relationship to the PBAC. Farish and Schlereth responded that under the proposed Trustee Policy, the DSUF Committee would be charged with the task of (1) determining whether it wished to recommend a DSUF for Sonoma State (2) ascertaining how the proceeds of the DSUF would be allocated (3) developing appropriate referendum language and (4) coordinating the referendum election.

Les Adler indicated that he believed a key issue for the faculty on campus was the use of the proceeds from the DSUF. He questioned if faculty would have input on this item. Farish indicated that faculty would have input. He reminded the PBAC that financial aid was a policy requirement for the DSUF and that a shortfall existed in Academic Affairs effective 7-1-97. He noted that the proceeds from the proposed new fee would ultimately result from negotiations between students, faculty and the administration.

Garlin questioned whether the Academic Senate would have input in to decision regarding utilization of fee proceeds. Farish indicated that he was looking to the PBAC for input on this question but felt that an endorsement by the Senate would be most helpful and needed. Garlin noted that it was important that a delicate balance be maintained - that it was important for the students to not feel pushed by the faculty and yet the faculty had a vested interest in the outcome of the referendum.

Barnard noted that she felt faculty members had several roles to play in the DSUF discussion. These included:

- discussion forums on the issue, perhaps jointly sponsored by the Senate, the CFA and the Associated Students;
- discussion on the issue in the Senate;
- discussion and information at the Fall Convocation

Barnard also noted that she felt the Vice-President for Academic Affairs Budget Advisory Committee (VPBAC) should be consulted and involved in discussions regarding the utilization of DSUF proceeds. She also expressed concern over publicity materials on the DSUF particularly those prepared for parents at Summer orientation cautioning that the materials should be general in nature since specific fee proceed utilization would not have been determined prior to the orientation program.

Harris urged the administration to accelerate the time line, via Summer meetings, so that further definition of the DSUF could be developed. He noted that it was difficult to defend and promote a concept that lacked definition.

Carol Cinquini indicated that she sensed a bit of resentment among the department chairs. She noted that she felt they might believe they were being co-opted by the administration on the DSUF issue and encouraged greater use of small group meetings with faculty to counteract this problem. Cinquini also echoed and supported Harris's comments about timeline acceleration and Summer meetings.

Garlin questioned how the \$150 per semester level of the DSUF was developed. Farish and Schlereth responded indicating that the PBAC had examined financial needs for the campus during the Fall, 1995 semester and identified a funding gap that would exist in Academic Affairs effective 7-1-97. Upon the direction of the PBAC, Farish and Schlereth developed a proposal for a DSUF that would meet this gap. Keeping in mind that one-third of any new fee needed to be allocated to financial aid per proposed Trustee policy, this reality coupled with the identified funding gap generated a need for \$2,000,000 annually. Given enrollment of about 6500 students, the semester fee level of \$150 for the DSUF was calculated.

Harris then made several suggestions for modification to the draft timeline. Specifically he argued that:

- the DSUF Committee should be appointed June 1, 1996;
- that the DSUF should make a presentation on its work at the beginning of the Fall semester;
- that the Senate and PBAC should consider and vote on a resolution regarding the DSUF Committee Recommendations prior to October 1, 1996;
- that the President should make his decision regarding whether to take the DSUF issue to referendum on or before October 10, 1996;
- that campaign publicity should take place between October 10, 1996 and November 20, 1996;
- that the actual referendum on the DSUF take place on November 20 and 21, 1996.

Merrill asked Terrill if he thought it would be possible to get student representatives together for Summer work on the DSUF. Terrill indicated yes. Merrill also indicated that he was a little concerned that if a ballot and proceeds utilization schedule was developed over the Summer by the DSUF Committee, it would be difficult to obtain input from campus faculty on the utilization issue.

Farish suggested that perhaps the DSUF Committee could develop a draft ballot and fee utilization schedule over the Summer that could then be refined and modified as the DSUF sought input from the campus early in the Fall semester.

Farish then made summary comments indicating that discussion during the meeting was most useful and that the input provided was very valuable. He noted that on-going consultation would be key in obtain a successful vote on the DSUF issue and recognized that much work needed to be completed both during the Summer and Fall, 1996 semester. He informed the Committee that he and Schlereth would be in touch over the coming months and urged Committee members to continue to express their views on this important issue.

The meeting was adjourned at 4:43 PM.

Minutes prepared by Larry Furukawa-Schlereth

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A. Todd

PRESIDENT'S BUDGET ADVISORY COMMITTEE MINUTES
February 6, 1997

MEMBERS PRESENT :

Don Farish, Co-Chair
Larry Furukawa-Schlereth, Co-Chair
Les Adler, AARCC
Jose Andrade, Associated Students
Melinda Barnard, Chair of the Faculty
Bill Barnier, Academic Senate
Larry Clark, AARCC
Katharyn Crabbe, AARCC
Paul Crowley, AARCC
Debbie Gallagher, Staff Representative
Victor Garlin, CFA
Dennis Harris, CRC
Rand Link, President's Cabinet
Neil Markley, CRC
Andy Merrifield, CRC
Jim Meyer, President's Cabinet
Marty Ruddell, Past Chair of the Faculty
Tracy Terrill, Associated Students
Steve Wilson, CRC

STAFF PRESENT:

Letitia Coate, University Controller
Bill Ingels, University Treasurer
Silvia Barajas, Academic Affairs Budget Officer

GUESTS PRESENT:

Larkin Child, Student
Matthew Morgan, Student

I. Approval of the Agenda

Don Farish convened the meeting at 8:11 AM and introduced three new members to the President's Budget Advisory Committee (PBAC) - Debbie Gallagher, representing the Staff and Dennis Harris and Andy Merrifield, both representing the Campus Reengineering Committee.

II. PBAC Meeting Times

Discussion then turned to the most appropriate meeting time for the PBAC. After discussion and by consensus, the PBAC determined that it was prudent to meet every week for two hours rather than for just a single hour as initially projected. After examining several alternatives, including afternoon meeting times on Mondays, Tuesdays, or Wednesdays, Members concluded that Thursdays from 8-10 AM was the most workable time slot. The following schedule of meetings was then approved:

| | |
|-----------------------|---------|
| Thursday, February 13 | 8-10 AM |
| Thursday, February 20 | 8-10 AM |
| Tuesday, February 25 | 8-10 AM |
| Thursday, March 6 | 8-10 AM |
| Thursday, March 13 | 8-10 AM |
| Thursday, March 20 | 8-10 AM |
| Thursday, March 27 | 8-10 AM |
| Thursday, April 10 | 8-10 AM |

III. Proposed Agenda Topics

Discussion then turned to the proposed Agenda Topics prepared by Larry Furukawa-Schlereth and reproduced below:

- PBAC Schedule, Spring, 1997
- Status of the 1996-1997 Budget and Analysis of the 1997-1998 Trustees Budget
- SSU Financial Policy and 95-96 Budget Parameters
- Discussion of Auxiliary Corporations

Sonoma State Enterprises
University Foundation
Associated Students
Student Union

- Discussion of SSU Special Funds

Housing
Parking
Continuing Education
IRA

- Discussion of SSU Special Funds, Continued

Independent Operations
Health Center
Assured Access Fee
Enrollment Services Fee
Misc. Course Fees
Capital Budget

- Discussion of General Fund Expenditure Plan

University Wide
Executive Office
Academic Affairs
Student Affairs
Administration and Finance

- Formulation of Budget Recommendation

Members concurred that the agenda topics were appropriate however some members indicated that they did not wish the informational presentations to turn into a defense of a budget for particular units. Other members noted that it would be helpful to the PBAC if during the presentations, Members were made aware whether and how it was possible to obtain waivers from identified CSU policies or budget restrictions. In addition, it was suggested that it might be helpful to conduct an all day session for Committee Members on the mechanics of CSU/SSU budgeting and accounting procedures. Finally, an

historical perspective was seen to be a valuable tool.

Discussion then ensued with respect to the specific charge given to the PBAC. Farish noted that the President wished the PBAC to develop recommendations for a balanced budget in 1997-1998. Farish indicated that the President had articulated that he was not open to a recommendation that included the lay-off of any permanent or probationary employee including faculty, staff and administrators. Schlereth added that the campus could also not violate any CSU financial policy or any federal or state legislation regarding the proper management and expenditure of public funds. Several members requested a full discussion of all policies, principles, and restrictions which existed and would guide the development of policy alternatives for the 1997/98 budget.

Farish and Schlereth indicated that it was their hope that the informational materials would put before the Committee, all of the resources on the campus as well as constraints and regulations, if any, that governed the utilization of specific funds. Schlereth noted that a training session on SSU's Budget had been scheduled for March 18, 1997 as part of the University's new Employee Training Program. He also indicated that he and Steve Wilson would meet with interested members to ascertain the specific nature of additional training that was thought to be needed. Farish indicated that he and Schlereth would work with the Committee's staff to develop an appropriate historical tool for use by the PBAC.

There being no additional business, the meeting was adjourned at 9:00 AM.

Minutes prepared by Larry Furukawa-Schlereth

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A. Todd

PRESIDENT'S BUDGET ADVISORY COMMITTEE MINUTES**February 13, 1997****MEMBERS PRESENT :**

Don Farish, Co-Chair
Larry Furukawa-Schlereth, Co-Chair
Les Adler, AARCC
Jose Andrade, Associated Students
Melinda Barnard, Chair of the Faculty
Bill Barnier, Academic Senate
Larry Clark, AARCC
Katharyn Crabbe, AARCC
Paul Crowley, AARCC
Debbie Gallagher, Staff Representative
Victor Garlin, CFA
Dennis Harris, CRC
Rand Link, President's Cabinet
Neil Markley, CRC
Andy Merrifield, CRC
Jim Meyer, President's Cabinet
Tracy Terrill, Associated Students

MEMBERS ABSENT:

Marty Ruddell, Past Chair of the Faculty
Steve Wilson, CRC

STAFF PRESENT:

Letitia Coate, University Controller
Bill Ingels, University Treasurer
Silvia Barajas, Academic Affairs Budget Officer

GUESTS PRESENT:

Metta Adams, Student
Nancy Reynolds, Staff Member

Don Farish convened the meeting at 8:14 AM and asked Members to consider the Minutes of the 2-6 meeting. Discussion ensued. Several Members asked that the Minutes be revised to include a summary of the discussion held on February 6 related to the specific charge to the PBAC from the President, restrictions regarding lay-off of permanent and probationary employees and various other CSU and campus-based financial policies that could impact the Committee, its deliberations and recommendations. Larry Schlereth indicated that he would make these revisions. With this understanding, the Minutes were approved unanimously.

Schlereth then reviewed the roster of PBAC members requested by the PBAC on 2-6-97 and included as part of the Agenda packet. He also reviewed the Spring meeting schedule noting that the PBAC would meet on Tuesday February 25 rather than Thursday, February 27, 1997 and that the March 6 meeting would take place in the Sue Jameson Room rather than the Terrace Room.

Victor Garlin then moved that the PBAC rearrange the Agenda such that Item VI, SSU Financial Policy, be discussed next. His motion was seconded by Andy Merrifield. Garlin then spoke to his motion noting that it was appropriate to have an understanding of existing campus financial policy before turning to the specific financial information. Larry Clark called the question. Garlin's motion was approved unanimously.

The Committee then engaged in a discussion of the 7 campus-based financial policies which were a part of the Agenda packet and are reproduced below:

SONOMA STATE UNIVERSITY
CAMPUS-BASED FINANCIAL POLICY

1. Lay off or reduction in force actions of permanent or probationary employees are prohibited.
2. Reallocation of the Divisions' base budgets is prohibited.
3. Inter-fund or external borrowing cannot be initiated unless an identified source of repayment has been identified and agreement has been reached with the proposed lender regarding term and interest rate.
4. There are to be no proposals in which a perception of noncompliance with State and CSU fiscal policies, reasonable audit requirements, and relevant special fund bond covenants are suggested.
5. Actual revenues in excess of the established benchmark of \$11,900,000 are to be allocated to the Provost for use at his discretion. Revenues under this provision include:

State University Fee
Non Resident Tuition
Application Fee
Campus Services Fee
Library Fines
Late Registration Fee
Enrollment Confirmation Deposit

In the event actual revenues are less than base budgeted revenues, the Provost will be required to reduce Academic Affairs expenditures by an equal amount for that specific fiscal year.

6. Divisions will carry forward any budget balance available at the end of the fiscal year for expenditure in the next fiscal year. Budget balance available is defined as Revised Budget less Expenditures less Commitments.

In cases where the Division's prior year commitments are canceled the savings are to be reallocated to the Division's current year budget.

7. Policy regarding enrollment growth appropriation:

Schlereth noted that the "no-lay-off" policy was created by the PBAC during the 1995-96 academic year and accepted by the President. Dennis Harris indicated that SSU had long adhered to this concept through-out its history. Garlin and Harris both noted that it was possible to reduce personnel costs though normal attrition Garlin specifically citing historical reengineering activities on campus.

Garlin asked for clarification regarding what was meant by a "base" budget. Schlereth explained the difference between a base or original budget and a revised budget referencing the campus's published expenditure plan. He also noted that the base budgets for the five operating units of the University were first established in 1992-1993 and generally reflected a listing of persons employed at the University by organizational unit as well as operating expense money used the various University divisions for on-going operating expense. Bill Barnier noted that he believed it was important for the Committee to have a better historical understanding of the base budgets along with changes to them over the past several years. Schlereth indicated that the Staff to the Committee would endeavor to prepare this analysis for PBAC review.


Melinda Barnard questioned whether it was possible to change or modify the Financial Policies noting it was important for the Committee to understand its specific constraints if it was to make a meaningful and viable recommendation that would be accepted by the President. Farish responded by saying he felt the PBAC could develop a set of options for the President to consider but that it was important for the Committee not to micro-manage the specific operations of the various Divisions.

Katharyn Crabbe requested that revenue detail be provided to the PBAC reflecting what composed the \$11,900,000 contained in Financial Policy 5. Schlereth promised to provide this data at the next meeting.

The PBAC took no specific action regarding any of the financial policies and did not formulate any policy language regarding enrollment growth resources.

There being no additional business, the meeting was adjourned at 9:52 AM.

Minutes prepared by Larry Furukawa-Schlereth

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A. Todd

PRESIDENT'S BUDGET ADVISORY COMMITTEE MINUTES
February 20, 1997

MEMBERS PRESENT :

Larry Furukawa-Schlereth, Co-Chair
Les Adler, AARCC
Jose Andrade, Associated Students
Melinda Barnard, Chair of the Faculty
Bill Barnier, Academic Senate
Larry Clark, AARCC
Katharyn Crabbe, AARCC
Paul Crowley, AARCC
Victor Garlin, CFA
Dennis Harris, CRC
Rand Link, President's Cabinet
Neil Markley, CRC
Andy Merrifield, CRC
Jim Meyer, President's Cabinet
Marty Ruddell, Past Chair of the Faculty
Tracy Terrill, Associated Students
Steve Wilson, CRC

STAFF PRESENT:

Letitia Coate, University Controller
Bill Ingels, University Treasurer
Silvia Barajas, Academic Affairs Budget Officer

MEMBERS ABSENT:

Don Farish, Co-Chair
Debbie Gallagher, Staff Representative

GUESTS PRESENT:

Alan Murray, Sonoma State Enterprises
John Wright, Student Union Corporation

MEETING AGENDA

- I: APPROVAL OF THE AGENDA
- II: APPROVAL OF MINUTES: 2-13-97
- III: STATUS OF THE 1996-1997 BUDGET
- IV: ANALYSIS OF THE 1997-1998 GOVERNOR'S BUDGET
- V: DISCUSSION OF AUXILIARY CORPORATIONS -- INTRODUCTION
- VI: SONOMA STATE ENTERPRISES INCORPORATED
- VII: ASSOCIATED STUDENTS INCORPORATED
- VIII: STUDENT UNION CORPORATION
- IX: INTRODUCTION TO SSU SPECIAL FUNDS

Capital Budget
Housing
Parking
Instructionally Related Activities (IRA)
Health Center
Assured Access Program
Course Fees
Enrollment Services Fee
Independent Operations

Continuing Education

X. ADJOURNMENT

MATERIALS DISTRIBUTED WITH AGENDA PACKET

Reconciliation of the PBAC 3-12-96 Budget Recommendation with the FY 96-97 Base Budget
Detail on SSU's Bench-Mark Revenue Estimates
CSU Status Report on the 1997-1998 Support and Capital Budget
Analysis of the Governor's Budget for CSU 1997-1998
Budget Overview: Sonoma State Enterprises Incorporated
Budget Overview: Associated Students Incorporated
Budget Overview: Student Union Corporation

I: APPROVAL OF THE AGENDA

Larry Schlereth convened the meeting at 8:11 AM by asking for a motion to approve the Agenda. A motion was made by Dennis Harris with a second from Melinda Barnard. The Agenda was approved unanimously.

II: APPROVAL OF MINUTES: 2-13-97

Schlereth then asked for a motion to approve the Minutes of February 13, 1997. Harris moved to approve the Minutes. A second was obtained from Larry Clark. The Minutes were approved unanimously.

Victor Garlin then questioned whether the Financial Policies discussed on 2-13 were approved by the PBAC. Schlereth noted that no formal action was taken by the PBAC on 2-13 and that this was reflected in the 2-13 Minutes. Barnard noted that she felt the Policies would be discussed again as the PBAC considered options and recommendations. Schlereth concurred with Barnard's assessment.

III: STATUS OF THE 1996-1997 BUDGET

Schlereth then asked Steve Wilson to take the Committee through Agenda Item III, the Status of the 1996-1997 General Fund Budget. Wilson referred to data distributed with the Agenda packet and explained that largely due to increases in costs of employee benefits and inadequate resources provided to the campus to meet mandated salary adjustments, the general fund budget contained a structural deficit of \$422,000. He noted that agreement had been reached between Academic Affairs and Administration and Finance to fund this deficit for 96-97 only with a 7 year interfund loan. Repayment of this loan would be made by the two Divisions on a 66% (Academic Affairs) 34% (Administration and Finance) split.

Harris questioned why non-appropriation revenue was reflected at \$11,900,000 when it actually would be \$12,200,000. Wilson noted that the \$11,900,000 was the established benchmark with non-appropriation revenue above this amount directed to the instructional program. Harris asked for clarification on how this policy was established. Schlereth noted that the policy was created by the President, the Provost and the Vice-President for Administration and Finance in August, 1996. The rationale for the policy, he noted, was that Academic Affairs was entitled to this revenue since it was created by enrollment above the established target and the resources were needed to teach additional students derived from exceeding the target enrollment. Bill Barnier asked the source of the \$422,000 interfund loan. Wilson indicated the Health Center Deferred Maintenance Reserve would be utilized and further noted that this action would deplete that campus Reserve.

Clark questioned why the PBAC was not convened to discuss the structural deficit when it was discovered. Schlereth explained that at the time the deficit was known, it was thought the campus would receive a base augmentation from the CSU in recognition of teaching above the target enrollment. In late Fall, it was determined that this would not take place and the decision was made by the Cabinet to hold

the item until the PBAC met in early Spring. Harris noted that he felt the PBAC should formalize a recommendation calling for the PBAC to meet not only during the Spring semester but also after the May Revision of the Governor's Budget and also in early Fall when the final aspects of the approved State budget were known.

IV: ANALYSIS OF THE 1997-1998 GOVERNOR'S BUDGET

Schlereth then turned to Agenda Item IV, an Analysis of the Governor's Budget for the CSU for Fiscal Year 1997-1998. For the purposes of the presentation, he referred to documents prepared for the CSU Trustees and included with the PBAC Agenda packet. Garlin asked if the \$13,500,000 targeted for Information Technology was equal to the difference between a 3.4% and 4.0% salary increase pool for employees. Schlereth indicated that he could not be precise but he believed the difference between a 3.4 and 4.0% salary increase was close to \$13,500,000.

Schlereth then asked Wilson to clarify what the Governor's Budget for CSU in 1997-1998 could potentially mean for SSU. Wilson referred to data included with the Agenda packet and reproduced below:

ANALYSIS OF THE GOVERNOR'S BUDGET FOR CSU 1997-1998

PROJECTED NEW RESTRICTED REVENUE

| | |
|---|---------------------|
| Increase in Target Enrollment, (5550 - 5600 FTES) | \$ 288,000 |
| Fee Revenue above Benchmark, Increased Enrollment | \$ 300,000 |
| Salary Increase Resources | \$ 1,369,000 |
| Technology Improvements | \$ 488,000 |
| Deferred Maintenance | \$ 178,000 |
| State University Grants-Increased Enrollment | \$ 24,000 |
| New Space | \$ 68,000 |
| TOTAL | \$ 2,715,000 |

UTILIZATION OF NEW RESTRICTED REVENUE

| | |
|---|---------------------|
| Academic Affairs -- Increased Enrollment | \$ 288,000 |
| Academic Affairs -- Revenue above Benchmark, Increased Enrollment | \$ 300,000 |
| Employee Salary Increases | \$ 1,369,000 |
| Assured Access Requirement | \$ 488,000 |
| Campus Deferred Maintenance | \$ 178,000 |
| State University Grant Budget | \$ 24,000 |
| Utilities and Custodians -- New ITC Facility | \$ 68,000 |
| TOTAL | \$ 2,715,000 |

PROJECTED NEW DISCRETIONARY REVENUE

| | |
|-----------------------|------------------|
| Inflationary Increase | \$ 90,000 |
| TOTAL | \$ 90,000 |

UTILIZATION OF NEW DISCRETIONARY REVENUE

| | |
|--|------------------|
| Risk Pool (Removed from Base in 96-97) | \$ 70,000 |
| Needed Resources, COLA, 97-98 | \$ 20,000 |
| TOTAL | \$ 90,000 |

Wilson then explained that a variety of unfunded items existed or were projected at the University-Wide level for 1997-1998. These items, he noted included the following:

| | |
|---|--------------------|
| Structural Deficit from Fiscal 96-97 | \$ 420,000 |
| Increase in Risk Pool Premium, Historical | \$ 130,000 |
| Increase in Risk Pool, Osborne Preserve | \$ 50,000 |
| CSEA/MSA Settlement, On-Going Base Adjustments | \$ 137,000 |
| CSEA/MSA Settlement, Back Pay - Annual Installment to CSU | \$ 133,000 |
| University Reserve | \$ 300,000 |
| TOTAL | \$1,170,000 |

Schlereth noted that a significant number of additional unfunded items existed in the four operating Divisions of the University and indicated that the President has asked each Vice-President to prepare a list for presentation to PBAC. Barnard asked that this information be provided in a timely way. Schlereth indicated that he had targeted March 6, 1997 for the data but wished to confer with Don Farish prior to committing to that date.

Clark asked whether the \$288,000 in appropriation revenue for enrollment growth and \$300,000 in non-appropriation revenue above the benchmark would go to Academic Affairs. Schlereth noted that in his and Farish's mind it would. Harris indicated that he believed a policy of the utilization of enrollment growth resources needed to be developed and recommended by the PBAC. Schlereth asked Harris to hold this item until the PBAC developed its overall recommendations later in the Spring semester.

V: DISCUSSION OF AUXILIARY CORPORATIONS -- INTRODUCTION

Schlereth then turned to Agenda Item V, an Introduction to the Auxiliary Corporations at SSU noting that PBAC Members had received copies of the various Corporations' by-laws and Board Member rosters. He also noted that the four Boards were legally responsible for the development of their respective budgets and while the PBAC could make recommendations to the President or the various Boards, the budgets for the auxiliaries would be formulated and approved by the Board of Directors for each auxiliary entity. Garlin noted the campus auxiliary corporations existed for the sole purpose of supporting SSU.

VI: SONOMA STATE ENTERPRISES INCORPORATED


Schlereth then moved to Agenda Item VI and asked Letitia Coate to take the Committee through financial information distributed with the packet related to the Sonoma State Enterprises. Garlin asked if it would be possible to have detail on how the President's discretionary revenue allocated by the Enterprises was spent. Several members noted that they did not believe this was appropriate. Schlereth noted that he did not sense there was consensus on the Garlin request and urged Garlin to speak with him outside the meeting regarding the request.

X. ADJOURNMENT

As it was approaching the agreed upon time for adjournment, Schlereth noted that discussion of the

Enterprises would continue on February 25 and adjourned the meeting at 9:50 AM.

Minutes prepared by Larry Furukawa-Schlereth

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A. Todd

PRESIDENT'S BUDGET ADVISORY COMMITTEE MINUTES
February 25, 1997

MEMBERS PRESENT:

Don Farish, Co-Chair
Larry Furukawa-Schlereth, Co-Chair
Les Adler, AARCC
Jose Andrade, Associated Students
Melinda Barnard, Chair of the Faculty
Bill Barnier, Academic Senate
Larry Clark, AARCC
Katharyn Crabbe, AARCC
Paul Crowley, AARCC
Debbie Gallagher, Staff Representative
Victor Garlin, CFA
Dennis Harris, CRC
Rand Link, President's Cabinet
Neil Markley, CRC
Andy Merrifield, CRC
Jim Meyer, President's Cabinet
Tracy Terrill, Associated Students
Steve Wilson, CRC

STAFF PRESENT:

Letitia Coate, University Controller
Bill Ingels, University Treasurer
Silvia Barajas, Academic Affairs Budget Officer

MEMBERS ABSENT:

Marty Ruddell, Past Chair of the Faculty

GUESTS PRESENT:

Larisa Mar, Associated Students
Alan Murray, Sonoma State Enterprises
Julie Russell, Student Union Corporation
John Wright, Student Union Corporation

MEETING AGENDA

I: APPROVAL OF THE AGENDA
II: APPROVAL OF MINUTES: 2-20-97
III: LEGISLATIVE ANALYST'S REPORT
IV: UPDATE ON 96-97 STRUCTURAL DEFICIT
\$240,000 Allocation for PERS Retirement Cost Increases
V: CSU EXECUTIVE ORDER -- CAMPUS AUXILIARY ORGANIZATIONS
VI FINANCIAL STATUS: SONOMA STATE ENTERPRISES INCORPORATED
VII: FINANCIAL STATUS: ASSOCIATED STUDENTS INCORPORATED
VIII FINANCIAL STATUS: STUDENT UNION CORPORATION
IX: CSU EXECUTIVE ORDER: HOUSING DECENTRALIZATION
X: FINANCIAL STATUS: SSU HOUSING PROGRAM
XI: CSU EXECUTIVE ORDER: PARKING DECENTRALIZATION
XII: FINANCIAL STATUS: SSU PARKING PROGRAM
XIII: CSU EXECUTIVE ORDER: IRA PROGRAM
XIV: SSU INSTRUCTIONALLY RELATED ACTIVITIES PROGRAM

XV: ADJOURNMENT

MATERIALS DISTRIBUTED WITH AGENDA PACKET

Legislative Analyst's Report on the CSU Budget
Allocation Order, CSU 96-97 PERS Increased Retirement Costs
CSU Executive Order: Auxiliary Corporations
Budget Overview: Sonoma State Enterprises Incorporated
Budget Overview: Associated Students Incorporated
Budget Overview: Student Union Corporation
CSU Executive Order: Housing Decentralization
Budget Overview: SSU's Housing Program
CSU Executive Order: Instructionally Related Activities
Budget Overview: SSU's Instructionally Related Activities Program

I. Approval of the Agenda

Don Farish convened the meeting at 8:09 AM by asking for a motion to approve the Agenda. A motion was made by Dennis Harris. A second was obtained from Bill Barnier. The minutes were then approved unanimously.

II. Approval of the Minutes of February 20, 1997

Farish then asked for a motion to approve the Minutes of February 20, 1997. A motion was made by Harris. A second was obtained from Jose Andrade. Larry Furuakwa-Schlereth informed Members that he had incorporated recommended changes transmitted to him. The Minutes were then approved unanimously.

III. Legislative Analyst's Report

Farish then asked Schlereth to provide a report on Agenda Item III, an Update on the Legislative Analyst's Office (LAO) Report. Schlereth referred to the materials supplied with the Agenda Packet (Packet) and commented that 4 specific items were raised by LAO that had potential significance for SSU. These included:

1. Concern by the LAO over a lack of enrollment data submitted in the Trustees' budget;
2. The LAO's recommendation that \$13,500,000 for technology support be removed from the CSU request;
3. The LAO's recommendation that funds be removed from the CSU request in an amount equal to productivity improvements previously made the CSU as part of the Governor's compact with the CSU;
4. The LAO's recommendation that the CSU request be lowered by an amount equal to funds moved from the general fund as a result of student fee dollars generated in the CSU Student Health Centers.

Schlereth noted that the LAO report was silent on the SSU Information Center which, he noted, was a positive sign.

IV. Update on the 1996-1997 Structural Deficit

Schlereth then proceeded to Agenda Item IV, an Update of the 1996-1997 Structural Deficit. He noted that the campus had received word from the CSU indicating it would receive \$240,000 of new money in 1996-1997 as a result of savings generated by the Public Employees Retirement System (PERS) related to retirement costs for the various state agencies served by PERS. Schlereth indicated that this allocation would reduce the 96-97 structural deficit from \$422,000 to \$182,000. He went on to explain that it was unclear what this impact this would have for the 97-98 budget but that he was confident that the \$240,000 would be added to the campus base budget for benefits. Clarity, however, needed to be obtained regarding actual benefit costs for 97-98.

Kathryn Crabbe asked for clarification on when the structural deficit was discovered for 1996-1997. Schlereth responded that the deficit was discovered in late August, 1996. He noted that during a Cabinet Retreat held in August, 1996, Cabinet Officers were made aware of the problem.

V. CSU EXECUTIVE ORDER -- CAMPUS AUXILIARY ORGANIZATIONS

Schlereth then proceeded to Agenda Item V and informed Members that included with their Packet was the Table of Contents of the CSU Manual regarding the operation of campus-based auxiliaries. He noted that the Manual was available in his office for review and encouraged Members to meet with either himself or Steve Wilson if they had questions regarding CSU directives related to auxiliaries - particularly in the area of budget development, fiscal affairs, and/or human resource management.

VI. FINANCIAL STATUS: SONOMA STATE ENTERPRISES INCORPORATED

Letitia Coate then moved to Agenda Item VI, a continuation of the financial status of the Sonoma State Enterprises (SSE). A variety of questions were raised. Victor Garlin asked Coate to comment on the make-up of SSE's accounts receivables. Coate noted that she did not bring the detail on this account with her and promised to supply the information to Garlin. Farish questioned why, if a portion of SSE's receivables were from the SSU Housing Program, were they not paid as of 12/31/96. Schlereth responded by offering two possible explanations, including (1) competing priorities in the Financial Services cluster and (2) the possibility that Housing's cash balance may not have permitted payment of the receivable at the date in question. Rand Link asked for information regarding the impact of tripling on SSE. Alan Murray and Schlereth noted that this was most obvious in the Dining Services component of SSE. Schlereth specifically noted that approximately \$100,000 of additional profit was generated by SSE due to the tripling decision but noted that this profit was somewhat offset by increased staffing created by the Midnight Grill, the Grab and Go program and modest renovations in the campus Pub. Garlin and Harris raised issues related to strategies SSE would follow if unforeseen items developed. Harris was particularly interested in the SSE Board of Director's Policy with respect to Reserves. Schlereth indicated that SSE was established as a self-sustaining entity on campus. Unforeseen items would have to be handled from SSE's internal resources. He noted that a prudent reserve would approximate 33% of an annual operating budget or about \$2,600,000. He pointed out that the cash and liquid investments in the Enterprises at 12/31/96 totaled approximately \$600,000.

Murray then outlined challenges facing SSE in 1997-1998 and beyond including:

1. On-going salary increases related to the CSU Bargaining Agreement;
2. The need for new cash registers and a related point of sale system;
3. Fire safety violations in SSE vending areas;
4. Annual equipment replacement needs;
5. \$800,000 of new annual debt service for a new bookstore or \$1,500,000 of new annual debt service for a University Center.

Murray also informed the PBAC of pending litigation against the CSU systemwide regarding a claim by the California Department of Rehabilitative Services (Department) regarding profits from vending machines on state property being legally owned by the Department. Murray noted that the resolution of the case could have implications for SSE's financial condition and future plans.

Schlereth reflected on the relationship between the proposed University Center and SSU's desire to expand its Residential Community to accommodate more freshmen students. He suggested that adding 550 new on-campus residents would require a facility to accommodate the recreational, social, retail, and dining needs of these new students. Farish concluded the discussion on SSE by noting that while SSE was an \$8,000,000 gross revenue operation, it did not appear that SSE was in a position to be of material assistance to the University in 1997-1998. Schlereth concurred and added that a stable volume of sales coupled with the mandates of the SSU bargaining agreement made it difficult for SSE to materially enhanced its profitability such that support for the campus could be enhanced.

VII. FINANCIAL STATUS: ASSOCIATED STUDENTS INCORPORATED

Farish then turned to Agenda Item VII, the Financial Status of the Associated Students (AS). He asked Coate to brief the PBAC on this item. Coate introduced Larisa Mara, the Executive Director of the Associated Students. Coate then highlighted the financial statements for the AS which were included with the Packet. Mar then outlined challenges facing the AS in 1997-1998 and beyond including:

1. A flat revenue base
2. Salary Increases related to the CSU Collective Bargaining Agreement
3. A need to technology improvements within the AS.

She noted that the AS Board would need to struggle with these issues as it developed a balanced budget recommendation for the President for 1997-1998. Wilson asked if this process could result in an impact to the SSU General Fund. Mar and Tracy Terrill noted that this was possible since one method the AS could utilize to balance its budget for 97-98 would be via the reduction of funding to Programs financed by the AS, including a some Programs also supported by the SSU General Fund or Programs which had, at one historical point, been completely funded by the General Fund. Garland asked why the AS was only projecting a 3.4% salary increase for 97-98 when 4.0% was more likely. Schlereth noted that this was his fault since he had asked the AS to prepare a budget projection based on the Trustees Budget which reflected the 3.4% figure. Wilson commented that he was particularly concerned about the operations of the Children's School and that program's financial needs. Mar concurred that this was indeed a problem both for the AS and the Student Union citing concerns related to needed repairs in the Children's School facility and on a salary schedule for Children's School employees that was incompatible with the SSU bargaining agreement. Schlereth concurred with Mar's observations. Farish concluded the discussion on the AS by noting that the financial condition of the AS could result in obligations for the SSU general fund.

VIII. FINANCIAL STATUS: STUDENT UNION CORPORATION

Farish then turned to Agenda Item VIII, the Financial Status of the Student Union Corporation and asked Coate to provide highlights on financial materials provided with the Packet. Coate introduced John Wright, Executive Director of the Student Union Corporation and then took the PBAC through the financial data. At the conclusion of Coate's presentation, discussion ensued with clarification being provided on the accounting concept of depreciation, the details of a loan provided by the Foundation to the Union for the Student Recreation Center and the break-even financial aspects of the Recreation Center in the Union budget.

Garlin then noted that while he found the financial data related to the four auxiliary corporations to be very informative, he had difficulty in understanding how it was relevant to the President's charge to the PBAC related to ascertaining potential methods to finance unfunded items in the SSU General Fund. Terrill responded by indicating that he saw the processes an important educational effort for the PBAC reminding Members of suspicions raised during the Partners for Excellence campaign regarding how the campus and its auxiliaries utilized their budgets. Wilson concurred with Garlin's sentiments but noted that he hoped the PBAC would recognize the auxiliary corporations at SSU were not a realistic method to solve SSU's general fund financial problems. Farish noted that he felt that process provided useful information regarding the auxiliaries. He indicated that he did not see the auxiliaries, with the exception of the Sonoma State Enterprises who could, perhaps, engage in further entrepreneurial activities, as being viable vehicles to create more money for the campus. Terrill added that he felt it was important for the PBAC to understand the challenges faced by each auxiliary and their potential impact on the SSU general fund.

John Wright then outlined the challenges faced by the Student Union in 1997-1998 and beyond including:

1. On-going salary increases mandated by the CSU Bargaining Agreement;
2. Needed repairs in the Children's School;
3. Debt Service Increases from the CSU;

4. Impact of the Student Union Bond Pay-off on the Student Fee level.

Harris asked Wright about expenses paid by the Union which were previously financed by the SSU general fund. Wright responded that two such expenses existed, including 50% of the Student Program Advisor (about \$25,000) and 100% of the Inter-Cultural Center Coordinator (about \$50,000). Clark asked Wright if the proposed University Center would have an impact on the Student Union. Wright answered affirmatively.

Garlin then asked Farish to comment on enrollment projections for the campus over the next five years. Farish responded indicating SSU was slated to increase its target from 5550 FTES to 5600 FTES in 1997-1998. He also explained that because SSU was already teaching about 5800 FTES revenues calculated in the auxiliary corporations for 97-98 would likely actually be less than in 96-97 since the campus planned to reduce its enrollment from 5800 FTES actually achieved in the current year to 5600 FTES in 1997-1998.


XV. ADJOURNMENT

Farish reminded the PBAC that the time for adjournment was approaching. Barnier suggested that for future meetings, detailed presentations to the PBAC on the financial data not be made. Instead, he urged Members to read the provided materials ahead of the meeting time and come prepared to ask questions. He did indicate that where the Co-Chairs felt it was important to highlight certain key points, that this should be done. The PBAC, by consensus, agreed with Barnier's suggestion.

Clark asked if the revised list of unfunded items would be prepared by March 6, 1997. Farish indicated that this was the target date.

Farish then adjourned the meeting at 9:46 AM.

Minutes prepared by Larry Furukawa-Schlereth

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A. Todd

PRESIDENT'S BUDGET ADVISORY COMMITTEE MINUTES
March 6, 1997

MEMBERS PRESENT:

Don Farish, Co-Chair
Larry Furukawa-Schlereth, Co-Chair
Les Adler, AARCC
Melinda Barnard, Chair of the Faculty
Bill Barnier, Academic Senate
Larry Clark, AARCC
Katharyn Crabbe, AARCC
Paul Crowley, AARCC
Debbie Gallagher, Staff Representative
Victor Garlin, CFA
Dennis Harris, CRC
Rand Link, President's Cabinet
Neil Markley, CRC
Andy Merrifield, CRC
Jim Meyer, President's Cabinet
Marty Ruddell, Past Chair of the Faculty
Tracy Terrill, Associated Students

STAFF PRESENT:

Letitia Coate, University Controller
Bill Ingels, University Treasurer
Silvia Barajas, Academic Affairs Budget Officer

MEMBERS ABSENT:

Jose Andrade, Associated Students
Steve Wilson, CRC

GUESTS PRESENT:

John Hayes, Continuing Education
Alan Murray, Sonoma State Enterprises
Julie Russell, Student Union Corporation
Georgia Schwartz, Student Health Center
Heather Thomas, The Star
Tim Tiemens, SSU Housing Program
David Walls, Continuing Education
John Wright, Student Union Corporation
Beverly Yahn, Continuing Education

MEETING AGENDA

I: APPROVAL OF AGENDA
II: APPROVAL OF MINUTES: 2-25-97
III: CSU EXECUTIVE ORDER -- INSTRUCTIONALLY RELATED ACTIVITIES
IV: FINANCIAL STATUS: SSU IRA PROGRAM
V: CSU EXECUTIVE ORDER: PARKING
VI: FINANCIAL STATUS: SSU PARKING PROGRAM
VII: CSU EXECUTIVE ORDER: HOUSING DECENTRALIZATION
VIII: FINANCIAL STATUS: SSU HOUSING PROGRAM
IX: SSU CAPITAL BUDGET: 1997-1998
X: CSU EXECUTIVE ORDER: CONTINUING EDUCATION
XI: FINANCIAL STATUS: SSU'S CONTINUING EDUCATION PROGRAM
XII: CSU EXECUTIVE ORDER: STUDENT HEALTH ADVISORY COMMITTEE
XIII: FINANCIAL STATUS: SSU HEALTH CENTER

MATERIALS DISTRIBUTED WITH AGENDA PACKET

CSU Executive Order: Instructionally Related Activities
Budget Overview: SSU's Instructionally Related Activities Program
CSU Executive Order: Parking
Budget Overview: SSU's Parking Program
CSU Executive Order: Housing Decentralization
Budget Overview: SSU's Housing Program
CSU Document: Projected 1997-1998 CSU Capital Budget
SSU Document: Implications of CSU Capital Budget for SSU
Financial Status: SSU Continuing Education Program
CSU Executive Order: Student Health Centers
Budget Overview: SSU Student Health Center

I. Approval of the Agenda

Don Farish convened the meeting at 8:05 AM by asking for a motion to approve the Agenda. A motion was made by Victor Garlin. A second was obtained from Bill Barnier. The Agenda was approved unanimously.

II. Approval of the Minutes of February 25, 1997

Farish then asked for a motion to approve the Minutes of February 25, 1997. A motion was made by Dennis Harris. A second was obtained from Neil Markley. The minutes were approved unanimously.

III. Instructionally Related Activities (IRA)

At the request of Schlereth, Harris took the PBAC through an explanation of the IRA Program and the current budget for the various activities identified as instructionally related at SSU. Melinda Barnard noted that the IRA Board was composed of faculty, students and administrators and that students held a majority vote on the Board. She noted that the IRA Board in 1996-1997 wished to set aside some money for new IRA programs each year but there could be some things that might move from the general fund to IRA if the general fund was reduced. Garlin asked where the administrative fee revenue would appear. Schlereth noted that this expense item would appear as a revenue item in the Administration and Finance independent operations account. Garlin asked what impact the elimination of football would have on the IRA budget for athletics. Rand Link noted that due to the consent decree resulting from the California Chapter of the National Organization of Women law suit, SSU was required to maintain parity between women's and men's sports. As a result, resources saved by eliminating football would be used to (a) balance the athletics budget and (b) facilitate the addition of new, but less expensive men's sports in lieu of football.

IV. SSU'S Parking Program

Harris then took Members through an analysis of the SSU Parking Program and outlined future challenges faced by this campus operation referencing materials contained in the Agenda Packet (Packet). Markley questioned the rationale for eliminating parking on Petaluma Hill Road and Cotati Boulevard. Harris responded that this recommendation by the Campus Planning Committee (CPC) was safety related. Garlin asked if the entire SSU police force was paid from the Parking Fund. Schlereth indicated that it was not. Garlin also asked why parking fines were projected to rise so significantly in 1997-1998. Schlereth responded by noting the parking fine projection for 1997-1998 was based on actual experience with parking fines in the current fiscal year. Garlin and Andy Merrified questioned whether it was possible for the PBAC to ask the CPC to reconsider its recommendation regarding Petaluma Hill Road and East Cotati Avenue in light of the budget implications of the recommendation. Bill Barnier noted that it did not look like the Parking Fund had much that it could contribute to the overall campus financial problem but he did ask if it were possible to reduce the amount of the interfund loan repayment to parking appropriated in the general fund University Wide budget. Schlereth concurred.

that this was a possibility. Larry Clark then asked why the Parking Program was showing an expense item for the CSEA MSA settlement when none of the other funds previously reviewed by the PBAC had shown a similar item. Schlereth noted that the funds presented previously were not covered by the collective bargaining agreement and therefore the CSEA settlement was not germane to those funds. Rand Link asked whether Schlereth planned to fill the currently vacant peace officer position heretofore occupied by Andy Luttringer. Schlereth explained that he was studying this possibility but indicated that a 24 hour per day, 7 day per week schedule required ten peace officer positions. Jim Meyer asked whether it would be possible to develop a collaborative relationship with the City of Rohnert Park for police services. Schlereth responded that this possibility had been studied several years ago and determined not to be feasible due to the unique role public safety plays on a college campus. He did suggest, however, that the possibility should be considered again.

V. SSU HOUSING PROGRAM

Schlereth then presented the financial status of the SSU Housing Program and related executive orders and CSU data related to Housing contained in the Packet. Clark asked when the bonds associated with the Housing Program would be repaid. Tim Tiemens noted bond maturity was about twenty years. Farish asked Tiemens to prepare an analysis reflecting the maturity schedules of the various housing bond issues along with interest rates associated with the bonds. Garlin noted his sense of frustration suggesting that with each analysis of a particular University fund, little information was being provided indicating how the fund in question could assist in supporting the instructional budget. Farish commented that he saw the PBAC exercise to date as one of knowledge building and he expected that the PBAC would return to the various funds as the Committee developed various options for resolving the overall campus financial problem.

Les Adler concurred with Garlin's sentiment indicating that he believed the various campus managers needed to be rethinking how they conducted their business with an eye to saving money. Markley added that while he understood the magnitude of the campus financial problem, he also felt it was important to understand the many facets of the campus budget along with related expenditure requirements and needs prior to formulating a budget recommendation for the President to consider.

Barnard returned the discussion to the Housing Program asking Schlereth the dollar value of positions transferred to Housing from the general fund. Schlereth answered Barnard's question by briefing the PBAC on the activities of the 1994 ad-hoc Committee on Campus Priorities which resulted in the recommendation to transfer general fund employees to the newly decentralized housing program. Schlereth noted that approximately \$500,000 of expense had been transferred as a result of this process. Katharyn Crabbe asked whether this transfer had inadvertently created the structural deficit in the general fund previously discussed. Schlereth responded that it had not since the structural deficit was largely created by a shortfall in generally funded employee benefits and cost of living adjustments. He noted that these increases had been absorbed by the Housing Program for its employees consistent with its self-sustaining status.

VI. SSU CAPITAL BUDGET

The PBAC then considered the SSU Capital Budget which was presented by Schlereth who referenced materials provided to Members in the Packet. Clark questioned whether Item 31 on the Deferred Maintenance List was appropriate since it related to the Parking Program. Schlereth agreed with Clark and indicated that error would be corrected.


VII. FINANCIAL STATUS: CONTINUING EDUCATION

Farish then asked David Walls to take the Committee through materials provided in the Packet related to Continuing Education (CE). Walls began his presentation but was cut short because the time of adjournment was approaching.

XV. ADJOURNMENT

Farish noted that the Committee would resume the discussion of CE on March 13, 1996. He then adjourned the meeting at 9:50 AM.

Minutes prepared by Larry Furukawa-Schlereth

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A. Todd

PRESIDENT'S BUDGET ADVISORY COMMITTEE MINUTES
March 13, 1997

MEMBERS PRESENT:

Don Farish, Co-Chair
Larry Furukawa-Schlereth, Co-Chair
Les Adler, AARCC
Jose Andrade, Associated Students
Melinda Barnard, Chair of the Faculty
Bill Barnier, Academic Senate
Larry Clark, AARCC
Katharyn Crabbe, AARCC
Paul Crowley, AARCC
Debbie Gallagher, Staff Representative
Victor Garlin, CFA
Dennis Harris, CRC
Rand Link, President's Cabinet
Neil Markley, CRC
Jim Meyer, President's Cabinet
Marty Ruddell, Past Chair of the Faculty
Tracy Terrill, Associated Students
Steve Wilson, CRC

STAFF PRESENT:

Silvia Barajas, Academic Affairs Budget Officer

MEMBERS ABSENT:

Andy Merrifield, CRC

GUESTS PRESENT:

John Hayes, Continuing Education
Georgia Schwartz, Student Health Center
Pat Parson, Continuing Education
David Walls, Continuing Education
Beverly Yahn, Continuing Education

MEETING AGENDA

- I. APPROVAL OF AGENDA
- II. APPROVAL OF MINUTES: 3-6-97
- III. FINANCIAL STATUS: SSU's CONTINUING EDUCATION PROGRAM
- IV. CSU EXECUTIVE ORDER: STUDENT HEALTH ADVISORY COMMITTEE
- V. FINANCIAL STATUS: SSU HEALTH CENTER
- VI. FINANCIAL STATUS: SSU INDEPENDENT OPERATIONS
- VII. FINANCIAL STATUS: ACADEMIC FOUNDATION
- VIII. LISTS OF UNFUNDED ITEMS
- IX. SPRING SCHEDULE

MATERIALS DISTRIBUTED WITH AGENDA PACKET

Financial Status: SSU Continuing Education Program

CSU Executive Order: Student Health Center
Budget Overview: SSU Student Health Center
Budget Overview: SSU Independent Operations
Budget Overview: SSU Academic Foundation

I. Approval of Agenda

Don Farish convened the meeting at 8:10 AM by asking for a motion to approve the Agenda. Bill Barnier asked that the matter of the Historical Analysis of the Base Budgets be added to the Agenda. Farish agreed and assigned this item a time certain of 9:30 AM. Harris asked that today's agenda and each agenda in the future include a "good of the order" with a time certain of 9:40 AM. Farish agreed. With these modifications, the agenda was approved unanimously.

II. Approval of the Minutes of March 6, 1997

Farish then asked for a motion to approve the Minutes of March 6, 1997. A motion was made by Victor Garlin. A second was obtained from Bill Barnier. The minutes were approved unanimously.

III. Continuing Education (CE)

Farish recognized David Walls who, in turn, introduced John Hayes and Beverly Yahn, Business Manager and Registrar respectively for Continuing Education. Walls explained the financial status of the CE unit calling attention to the projected deficit in 96-97 program as well as explaining the material changes to the budget between 96-97 and 97-98. Walls noted that he and Farish were having conversations related to ways CE could increase its financial contribution to the instructional program. During the discussion which ensued, it was clarified that CE had been completely decentralized from the CSU. Barnier asked how the SSU CE program compared to other CE programs in the CSU with respect to contributions to the formal instruction program. Walls noted that experience varied throughout the system ranging between 10% and 20%. He indicated that SSU was around the 10% return mark. Barnier asked if that could be increased. Walls noted that it could but such an action without a corresponding increase in surplus revenue would result in a deficit for the program. He urged that the contribution not be decreased since the schools generally relied on CE revenue to augment operating expenses for instruction in the general fund. Garlin questioned the ratio between overhead and direct CE instruction. Walls responded by pointing out that the CE unit was a completely self-sustaining entity and that it was responsible for all overhead expenses including marketing, financial management, registration, etc. Barnard called the PBAC's attention to the campus 1996-1997 budget document which provided greater detail related to CE overhead. She indicated that a portion of the overhead was actually operating expense needed to create and then deliver direct instruction. Barnard then asked how the determination is made with respect to CE surplus revenue. Walls commented that this decision was made with the various Deans and the Provost.

Harris informed the PBAC that money provided to the Schools from CE was frequently not spent entirely in the fiscal year in which it was received and, as a result, Schools were able to maintain a small reserve with their CE funds which was needed to cushion school operations. Farish further explained that the Schools had come to rely on CE resources to offset reductions in School operating expense budgets which took place in 1992.

Harris asked Walls if the mandated Cost of Living Adjustment (COLA) was reflected in the 97-98 budget projection. Walls indicated it was but indicated that no projection had been made or included in the 97-98 proposed budget for the CSEA/MSA settlement.

Schlereth asked if the growth of other educational institutions in the Sonoma County area would have an impact of CE operations. Walls noted that competition from Dominican College, St Mary's College, Golden Gate University, the University of San Francisco and recently, the UCLA On-Line Educational program all were competitors of CE making marketing efforts all the more important for the SSU CE program. Farish noted that presently, SSU was not choosing to compete aggressively with institutions

who saw the SSU service area as an untapped market. He suggested that the campus needed to evaluate this reality and come to a decision of whether it wished to either simply watch these developments or join in competition for this market. He noted that a Retreat on this topic in Academic Affairs had been planned.

Silvia Barajas asked Walls to comment on the need for retained earnings in the CE program. Walls noted that the retained earnings account actually represented not a true reserve but rather a working capital balance facilitating the program's cash flow needs between the time when registration for courses took place, cash actually received and bills, including salaries actually paid.

Harris questioned if the CE program had any other accounts other than those reflected to the PBAC in the Continuing Education fund. Walls noted that accounts for CE also existed in the Academic Foundation.

Marty Ruddell commented that a discussion needed to take place at SSU regarding how best to manage academic programs in CE vis-a-vis their counterparts in the University's regular course of instruction. She expressed particular concern related to marginalization and fragmentation that could take place if the University was not careful.

IV. Student Health Center (SHC)

Farish then asked Schlereth to introduce the Student Health Center which Schlereth did. Schlereth turned to Rand Link who explained the financial operations of the Student Health Center referencing materials contained in the Agenda Packet (Packet). Link then introduced Georgia Schwartz, Director of the Student Health Center who provided an historical perspective for the SHC. A handout on this topic was distributed to the Members.

Barnier commented that he did not see the Health Center as a campus area that could be of financial assistance to the University beyond what it had already done. Tracy Terrill noted that it might be possible to think more broadly about student health and including mental health/counseling services in the Health Center budget thereby aiding the campus general fund.

Harris questioned whether the Student Health Center (SHC) could integrate further the activities of the academic counseling program and the nursing program as a strategy to reduce expense and, at the same time, provide internship and learning opportunities for students enrolled in these programs. He also suggested that the Student Health Advisory Committee become a Sub-Committee of the Fee Advisory Committee and urged the SHC to consider how other components of the health care industry were able to provide high quality care during a time of increased competition and rising costs.

Barnard urged the Members to move on. She indicated that she believed the SHC had already absorbed significant budget reductions referencing Schwartz's historical presentation. Terrill disagreed with Barnard pointing out the current and projected deficit in the SHC. He suggested that at some point, the SHC Reserve would be depleted and once again, students would be asked to pay higher fees. He urged the PBAC to take some action so that this reality would not hit the campus and future students in the years ahead.

Farish noted that discussions regarding the SHC as well as each of the other budget presentations made to date did not illustrate that any unit had significant sums of idle or unneeded cash. He suggested that across-the-board cuts, were therefore, not a viable solution to the campus financial problem. He did indicate that thought should be given to how various areas of the campus could be redesigned to save money.

V. Spring Meeting Schedule

Farish then moved to Agenda Item IX, a discussion of the Spring meeting schedule for the PBAC. After discussion, Members agreed, by consensus, to expand their meeting schedule to include the following additional meetings:

April 10, 1997 8 AM - 1 PM
April 16, 1997 4 PM - 10 PM
April 23, 1997 4 PM - 10 PM

Farish noted that it was possible that the April 23 meeting would not be needed. He asked Members, however, to hold the date.

VI: Historical Analysis

Farish then recognized Barnier who spoke to the historical analysis of the budget being prepared by the staff to the PBAC. Barnier indicated that he wished to be certain that the staff understood what he wished to see - a simple analysis of what the base budgets for the University and its auxiliary corporations were in 1992-1993 and how these budgets compared with the situation in 1996-1997. He indicated that he anticipated footnotes would be needed to explain organizational changes and other differences that were material. He also requested that an analysis be completed reflecting how many dollars were spent on faculty in 92-93 versus 96-97.

Schlereth noted that the staff was responding to Barnier's request but that it was important that the presentation fully disclose all relevant data, be accurate and be analytically correct. He noted that the presentation being prepared would take Members, year by year, through the budgets, outlining material changes. Because of the complexity of the subject and the many budget changes that took place between 1992-1993 and 1996-1997, utilization of footnotes was not viable. He indicated that financial information regarding faculty between the two years was also being prepared but that historical information for the auxiliaries was not part of the presentation.

Terrill questioned the rationale for the presentation indicating that he did not wish to add additional burden to the Committee's staff if the information was not going to be useful to the PBAC in the formulation of its budget recommendation. Katharyn Crabbe suggested that the historical information was important.


XIV: Good of the Order

Farish then turned to the "Good of the Order" agenda item and recognized Harris. Harris noted that for the good of the order he would defer his comments until the next meeting.

XV. Adjournment

Due to the lateness of the hour, Farish then adjourned the meeting at 9:50 AM.

Minutes prepared by Larry Furukawa-Schlereth

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A. Todd

PRESIDENT'S BUDGET ADVISORY COMMITTEE MINUTES
March 20, 1997

MEMBERS PRESENT:

Larry Furukawa-Schlereth, Co-Chair
Les Adler, AARCC
Jose Andrade, Associated Students
Melinda Barnard, Chair of the Faculty
Bill Barnier, Academic Senate
Paul Crowley, AARCC
Debbie Gallagher, Staff Representative
Victor Garlin, CFA
Dennis Harris, CRC
Rand Link, President's Cabinet
Neil Markley, CRC
Andy Merrifield, CRC
Jim Meyer, President's Cabinet
Tracy Terrill, Associated Students
Steve Wilson, CRC

STAFF PRESENT:

Silvia Barajas, Academic Affairs Budget Officer
Letitia Coate, University Controller
Bill Ingels, University Treasurer

MEMBERS ABSENT:

Don Farish, Co-Chair
Larry Clark, AARCC
Katharyn Crabbe, AARCC
Marty Ruddell, Past Chair of the Faculty

GUESTS PRESENT:

Brian Foust, Student

MEETING AGENDA

I: APPROVAL OF AGENDA

II: APPROVAL OF MINUTES: 3-13-97

III: INFORMATION ON BOND REPAYMENTS -- HOUSING

IV: SUMMARY OF FUNDS TO DATE

V: FINANCIAL STATUS: SSU INDEPENDENT OPERATIONS

VI: UNIVERSITY TRUST ACCOUNTS

VII: UNIVERSITY SPECIAL PROJECT ACCOUNTS

(Net of the California Institute for Human Services)

VIII: UNIVERSITY LOTTERY ACCOUNTS

IX: FINANCIAL STATUS: ACADEMIC FOUNDATION

X: ACADEMIC FOUNDATION ACCOUNTS

XI: GOOD OF THE ORDER: (Time Certain 9:40 AM)

MATERIALS DISTRIBUTED WITH AGENDA PACKET

Bond Repayment Information - Housing
Draft: Summary of Funds to Date

Budget Overview: SSU Independent Operations
Budget Overview: SSU Trust Accounts
Budget Overview: SSU Special Project Accounts (Net of CHIS)
Budget Overview: SSU Lottery Program
Budget Overview: SSU Academic Foundation
Balances: SSU Academic Foundation Accounts

I. Approval of the Agenda

Larry Schlereth convened the meeting at 8:07 AM by asking for a motion to approve the Agenda. Debbie Gallagher moved to approve the Agenda. A second was obtained from Bill Barnier. The Agenda was approved unanimously.

II. Approval of the Minutes of March 13, 1997

Schlereth then asked for a motion to approve the Minutes of March 13, 1997. A motion was made by Victor Garlin. A second was obtained from Les Adler. The minutes were approved unanimously.

III. Information Related to Bond Repayments - Housing

Schlereth informed Members that the Agenda Packet (Packet) included a repayment schedule for bonds associated with the University's Housing Program as requested by Members at a previous meeting. The PBAC indicated that they also like to see an analysis related to the implications of refinancing the housing bonds. Schlereth indicated that he would prepare such an analysis but that it would likely not be ready in the immediate future.

IV. Summary of Funds to Date

Schlereth informed Members that the Packet included a draft Summary of Funds spreadsheet that he had prepared for review by the PBAC. He noted that the document reflected his best assessment of how the PBAC viewed each of the funds reviewed to date and commented that the Funds Summary would be revised after each PBAC meeting. He asked Members to communicate any changes or additions to the Summary.

The Committee then deviated from the Agenda and raised a variety of questions. Specifically, Melinda Barnard asked for clarification regarding the presentation of general fund budgets in University Wide, Academic Affairs, Student Affairs and Administration and Finance. She indicated that she hoped these areas would present comprehensive financial information from all funds and not just identify unfunded items. Dennis Harris asked that the data for the five divisions be presented in a consistent format. Tracy Terrill asked for detail regarding operating expense. Schlereth indicated that the PBAC Staff (Staff) was preparing the financial information for the 5 areas in a fashion consistent with the requests made by Barnard, Harris and Terrill.

V. SSU Independent Operations

Schlereth then moved to Agenda Topic V and provided a brief description of the Independent Operations (IO) fund structure. He then outlined IO activity in the Executive Office noting a projected deficit in the Executive Office Graduation IO account. Harris asked now this deficit would be resolved. Schlereth noted that Graduation at SSU had been historically under-funded and deficits were resolved by either the Executive Office or the University Wide budget category.

Schlereth then asked Silvia Barajas to present IO activity in Academic Affairs. In response to several questions, Barajas clarified that athletic coaching salaries were reflected in Academic Affairs IO for 1996-1997 but that these costs would move to Student Affairs IO in 1997-1998 consistent with the reorganization of Athletics under Vice-President Link. She also discussed the Kaiser program in the School of Natural Sciences, defined the SLACK Program and promised to provide detail on the Consolidated Student Services Fee at the March 27 meeting. Barajas indicated the IO projection for 97-98 did include the anticipated 4% salary increase for employees paid from IO but did not include any projection for costs associated with the CSEA/MSA settlement.

Rand Link then made a presentation IO activity in Student Affairs which was followed by an IO

presentation in Administration and Finance made by Schlereth. Barnard asked if the campus budget document aka known as the "black book" reflected employees paid from IO in Academic Affairs as it did for Administration and Finance. Barajas indicated that it did not but promised to provide the data to the Members. Schlereth commented that this information would be reflected in subsequent black book presentations. Link asked if Schlereth anticipated any vacancies in the IO salary base. Schlereth indicated that attrition was always a possibility. Barnard asked how one could identify an MPP employee in the black book. Schlereth noted that these employees were classified as either and Administrator I II III or IV and that this data was included in the black book presentation. Garlin asked for data regarding the number of MPP employees on campus. Schlereth noted that this data was available to the campus through the published budget document.

VI: SSU Trust Accounts

Schlereth informed the PBAC that just prior to the start of the meeting, an error had been discovered in the Trust Account financial data. He asked the Committee's indulgence in deferring this item until the next meeting.

VII: SSU Special Project Accounts

Schlereth described the nature of CSU special project accounts and highlighted University activities whose finances were housed in this campus- based fund referencing materials provided in the packet.

VIII: SSU Lottery Accounts

Schlereth and Barajas presented information related to SSU's Lottery Program highlighting differences between discretionary and non- discretionary funds.

IX: SSU Academic Foundation

Steve Wilson presented the financial status of the SSU Academic Foundation utilizing data contained in the Packet. Garlin asked for clarification regarding the composition of contractual services. Wilson responded that these items included among other items, external audit services and payroll services. Garlin questioned whether payroll services could be handled by the campus Compensation unit. Wilson noted that this was possible and if the anticipated move of grants and contracts from the Foundation to the University's special project fund took place, payroll activity would be done by SSU.

X: GOOD OF THE ORDER

Schlereth then turned to the "Good of the Order" agenda item and recognized Harris. Harris asked that the Agenda Packet be provided to Members in advance of the meeting time. Schlereth noted that while he understood and agreed with the request, the short turn around-time between meetings make it difficult to provide materials in advance.

Barnard raised concerns about Continuing Education's financial presentation made during the prior meeting. Barajas agreed to work with Barnard to restate Continuing Education's data in a fashion that was more clear for the Members.

Terrill reminded the PBAC that the Student Health Center was currently operating with a deficit and was projecting a deficit for the foreseeable future. He expressed surprise that the Committee did not raise this issue during the Health Center budget presentation and urged Members to address this concern during budget deliberations.

XI. Adjournment

Schlereth then adjourned the meeting at 9:50 AM.

Minutes prepared by Larry Furukawa-Schlereth

A. Todd

PRESIDENT'S BUDGET ADVISORY COMMITTEE MINUTES
March 27, 1997

MEMBERS PRESENT:

Don Farish, Co-Chair
Larry Furukawa-Schlereth, Co-Chair
Les Adler, AARCC
Jose Andrade, Associated Students
Melinda Barnard, Chair of the Faculty
Bill Barnier, Academic Senate
Larry Clark, AARCC
Katharyn Crabbe, AARCC
Paul Crowley, AARCC
Debbie Gallagher, Staff Representative
Victor Garlin, CFA
Dennis Harris, CRC
Rand Link, President's Cabinet
Neil Markley, CRC
Andy Merrifield, CRC
Jim Meyer, President's Cabinet
Steve Wilson, CRC

STAFF PRESENT:

Silvia Barajas, Academic Affairs Budget Officer
Letitia Coate, University Controller
Bill Ingels, University Treasurer

MEMBERS ABSENT:

Tracy Terrill, Associated Students
Marty Ruddell, Past Chair of the Faculty

GUESTS PRESENT:

Brian Foust, Student
Richard Henderson, Student
Stephanie Klyver, Student
Lynn McIntyre, Executive Office
Susan McKillop, Faculty
Michael Ogg, Student
Sue Parker, Faculty
Jeff Woods, Student

MEETING AGENDA

- I: APPROVAL OF AGENDA
- II: DISTRIBUTION OF MINUTES, 3-20-97
- III: PRELIMINARY CSU ALLOCATIONS TO SSU
- IV: SUMMARY OF FUNDS TO DATE
- V: UNIVERSITY TRUST ACCOUNTS
- VI: CONTINUING EDUCATION RESERVE ACCOUNTS
- VII: ACADEMIC FOUNDATION ACCOUNTS
- VIII: GENERAL FUND: UNIVERSITY WIDE
- IX: GENERAL FUND: EXECUTIVE OFFICE
- X: GOOD OF THE ORDER: (Time Certain 9:40 AM)

MATERIALS DISTRIBUTED WITH AGENDA PACKET

Preliminary CSU Allocations to SSU 97-98
Draft: Summary of Funds to Date
Budget Overview: SSU Trust Accounts
Balances: Continuing Education Reserve Accounts
Balances: SSU Academic Foundation Accounts
Financial Status: General Fund, University Wide
Financial Status: General Fund, Executive Office

I. Approval of the Agenda

Don Farish convened the meeting at 8:06 AM by asking for a motion to approve the Agenda. Dennis Harris moved to approve the Agenda. A second was obtained from Jose Andrade. Melinda Barnard asked that an item be added to the agenda -- SSU's Policy Regarding Faculty Consultation in Budgetary Matters. The policy document approved by former President David Benson in August, 1991 was distributed by Barnard to the Members. Brief comments were made regarding the policy by various Members including that notion that the policy needed to be updated to reflect present titles and that a Senate action was needed to officially recommend to the President, the expansion of the PBAC which informally took place in 1995-1996. Victor Garlin noted that he felt Section 2.1-B was in conflict with the budget planning parameter that did not permit reallocation among the base budgets of the University. Farish noted that this provision of the Policy could also be viewed as being only applicable to new campus funds.

Neil Markley asked that the issue of Early Registration and its budgetary impact be added to the Agenda. With Markley's addition, the Agenda was then approved unanimously.

II. Distribution of the Minutes of March 20 1997

Farish informed Members that the Minutes of the March 20, 1997 meeting were included with the Agenda Packet (Packet). He indicated that he would seek a motion to approve the Minutes at the PBAC meeting on April 10, 1997.

III. Early Registration

Farish recognized Markley who raised several concerns regarding SSU's new Early Registration Program (Program). He indicated that he believed having students register for classes based on a schedule built without full knowledge of the campus budget could create serious problems for students if classes originally scheduled were later canceled due to budget reductions. He also noted that the Program seemed to "lock-in" a budget for a certain portion of the budget which he saw as inappropriate. Markley indicated that the concept of the Program was a good one but that the upcoming academic year, given financial challenges, was not the year to launch the Program. He urged that for 97-98, registration take place in July when the budget was formalized.

Barnard concurred with Markley's comments. She questioned how it would be possible to pull back from the schedule if it were necessary given reductions in budget to Academic Affairs. Wilson also concurred citing potential impacts for financial students should they be unable to obtain necessary classes if the course schedule was materially altered. Larry Clark also concurred indicating Markley's issue had been discussed by the Student Advisory Board in the School of Business and Economics. Garlin also concurred indicating that the students' concern was shared by others on campus including faculty who feared classes would be reduced as a result of budget reductions.

Farish explained the rationale for the policy citing improved advising and better retention as being more viable with the new Program. He also indicated that the Program and Course Schedule sent a positive message to students deflecting a potential perception on the part of students that somehow SSU was broken. He also commented that major cuts to the proposed course schedule would undo much of what had been accomplished at SSU over the past years. He indicated that he had told each Dean to expect budget reductions but that he did not anticipate that these cuts would be major or severely curtail the published course offerings.

Markley noted to Garlin that he did not automatically assume cuts to the class schedule would happen

but that it was a real possibility that should not be discounted. In response to Farish's comment regarding possible student perception about SSU being broken, Markley suggested that if the Early Registration Program had not been announced, students would not have seen anything out of the ordinary with a Summer registration as had been done over the past years. Markley indicated that the Administration knew there was a serious budget problem facing the campus but proceed with the Program anyway. This action, Markley, noted, was one that he did not understand.

Harris reminded Members that the current schedule of classes (96-97) was built with financing from a one-time interfund loan which was to be replaced with the Partners for Excellence Fee, defeated in Fall, 1996. He noted that the PBAC was aware of this fact when the interfund loan was approved in March, 1996 and that unless financial reallocation took place, classes would clearly be cut in 1997-1998.

Andy Merrifield noted that Academic Affairs was the primary mission of the University and that it was not appropriate to discuss, at this point, cuts to the instructional program. He argued the primary purpose of the PBAC should be to find resources to teach students.

Bill Barnier indicated that he shared many of the concerns raised by the Members but was persuaded by Farish's rationale for proceeding with the Program.

Farish concluded the discussion by indicating that the Program would proceed and that the decision to launch the Program was his. He also reminded Members that he had told the School Deans to be frugal.

IV. Preliminary CSU Allocations to SSU , 1997-1998

Schlereth referenced materials contained in the Agenda packet outlining differences between the campus's financial staff extrapolation of the Governor's Budget implication for SSU and recently received CSU preliminary budget allocations for SSU for the 97-98 fiscal year. He noted that the most material difference was the elimination of funds provided to support technology improvements. He reminded Members that the Legislative Analyst had recommended that this item be removed from the Governor's Budget and that it was an area that the PBAC needed to watch closely in the weeks ahead. Wilson noted that the CSU Preliminary Allocations still were reflecting a 3.4% salary increase pool.

V. Summary of Funds to Date

Schlereth then directed Members to the revised Summary of Funds to date indicating that changes or modifications should be directed to his office. Garlin asked if the data was prepared by the PBAC staff. Schlereth indicated that it had not but represented his best recollection the key points of the budget presentations made. He indicated that future revisions would be reviewed by the entire PBAC staff.

Farish raised the issue of what funds were outside the purview of the PBAC authority. He recognized the existence of the auxiliary corporation Boards of Directors. but said that he believed the PBAC could make global recommendations to the President on all the funds on campus.

VI: SSU Trust Accounts

Schlereth then turned to the University's Trust Accounts and explained Trust balances at the University-Wide level, the Executive Office, Student Affairs and Administration and Finance. Silvia Barajas did the same for trust accounts in Academic Affairs. Garlin raised a question about the Library Copier account in Academic Affairs which was addressed by Barajas. Several questions were raised regarding the Administration and Finance (AFD) trust balances. Barnard asked whether certain of the physical plant expenditures could be moved to another account, freeing funds in the AFD trust for other purposes. Schlereth noted that if another fund source could be found, that was a possibility. Harris noted that the AFD trust had been utilized for certain physical plant expenses because no other funding source existed for this purpose in 1996-1997. Les Adler questioned whether the current fiscal year was the best time to make the outlined physical plant expenditures given the campus's financial position. Barnier asked what would happen to the balance, should one exist at June 30, 1997. Schlereth indicated that it was his intention to utilize any residual resources to pay down the AFD share of the second Interfund loan created by he and Farish in September, 1996. Merrifield raised the question of reallocation among base budgets and campus policy in this regard. Farish noted that he believed that particular provision applied the general fund bases and not to funds outside the general fund Schlereth reminded Members

that Trust accounts were frequently utilized by campus organizational units as a mechanism for general fund roll-forward and that revenue streams flowing through trust accounts often were used to finance the salaries of permanent or probationary employees.

VII Continuing Education Reserve Accounts

Schlereth referenced the Packet and highlighted various Reserve accounts held in Continuing Education by several organizational units on campus. Barajas assisted in the presentation. Clark indicated that David Walls, Dean of Continuing Education, had asked the Deans not to spend these resources due to potential cash flow difficulties in Continuing Education (CE). Harris questioned whether the CE reserves could be used as bridge financing in 1997- 1998. Farish indicated that they could. Schlereth reminded Members of the need for Reserves and indicated that he felt a unit holding a Reserve in CE was doing so as a method to cushion unforeseen events that could impact that unit. Clark concurred with Schlereth.

VIII: SSU Academic Foundation

Schlereth called Members' attention to the Packet and explained Foundation Balances available as of March, 1997. He noted that the data presented did not include the University endowment or funds restricted for scholarships. Various questions arose regarding the specific nature of the accounts which were answered by the Cabinet Officers. Garlin questioned which resources could be made available to help with the campus financial problems. Harris noted that various units had worked hard to generate these balances from external resources and noted that he would be concerned if they were utilized for other purposes. Jim Meyer added that it was important to future private fundraising to follow the wishes of the donors. Garlin indicated that he understood these realities but was trying to get a sense of which funds could appropriately be used for help meet the financial challenges faced by the campus.

Merrifield commented that budget processes were, by their very nature political, and that would be a mistake to believe that the PBAC process would be void of political activity. Barnard reminded the Committee that the campus policy governing PBAC activity required members to take a University view and not simply argue for various special interests including instruction. Garlin noted that he wished to be associated with Barnard's comments but did wish to know what Foundation balances were truly available and which were restricted. Farish and Schlereth indicated that they would be pleased to provide this information regarding specific accounts and asked Members to contact them directly should they have questions regarding a particular account.

X: GOOD OF THE ORDER

No items were raised for the good of the order.

XI. Adjournment

At 9:52 Farish adjourned the meeting and reminded Members of the next meeting scheduled for April 10, 1997 from 8 AM until 1 PM.

Minutes prepared by Larry Furukawa-Schlereth

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A. Todd

RECOMMENDATIONS OF PBAC -- MARCH 12, 1996

The President's Budget Advisory Committee recommends to the President that he adopt a 1996-1997 General Fund and Lottery working budget based on the recommendations of Provost Farish and Vice-President Schlereth (Attachment A) and incorporating revenue assumptions and budget allocations as outlined below:

REVENUE ASSUMPTIONS - 1996-1997

| | Appropriation | Revenue | Lottery | Total |
|--------------------------|---------------|--------------|-----------|--------------|
| 95-96 Base | \$35,664,181 | \$11,919,413 | \$319,000 | \$47,902,594 |
| 96-97 Change | \$ 2,662,214 | \$ -39,413 | 0 | \$ 2,622,801 |
| 96-97 Base | \$38,326,395 | \$11,880,000 | \$319,000 | \$50,525,395 |
| Foundation Surplus 95-96 | | | | \$ 200,000 |
| SSE Loan | | | | \$ 200,000 |
| Parking Loan | | | | \$ 550,000 |
| AVAILABLE FOR ALLOCATION | | | | \$51,475,395 |

BASE BUDGETS 1996-1997

| | |
|----------------------------|--------------|
| UNIVERSITY WIDE | \$14,460,504 |
| EXECUTIVE OFFICE | \$ 898,385 |
| ACADEMIC AFFAIRS | \$27,905,854 |
| STUDENT AFFAIRS | \$ 1,189,404 |
| ADMINISTRATION AND FINANCE | \$ 6,071,248 |
| TOTAL | \$50,525,395 |

ALLOCATION OF ONE TIME FUNDS IN 1996-1997

| | |
|---|------------|
| Foundation | |
| Foundation 95-96 Surplus | \$ 200,000 |
| SSE Loan | \$ 200,000 |
| Parking Loan | \$ 550,000 |
| TOTAL | \$ 950,000 |
| Finances | |
| Quality of Instruction | \$ 450,000 |
| Curricular Innovation/Faculty Development | \$ 200,000 |
| Operating Expense, Information Technology | \$ 100,000 |
| Instructional Equipment | \$ 200,000 |

In addition, the President's Budget Advisory Committee recommends that:

1. Any additional unrestricted resources that may come to the campus in excess of existing General Fund and Lottery assumptions be allocated to the Campus Reserve.
2. All allocations be made to the Division Executive. Distribution within each division is the respective Division Executive's responsibility.
3. Any reduction to the revenue assumptions resulting from passage of the final budget in an amount greater than \$100,000 be brought back to the PBAC for disposition. Any amount less than \$100,000 be adjusted by mutual agreement of the Provost and the Vice-President for Administration and Finance.

ATTACHMENT A RECOMMENDATIONS FOR THE 1996-1997 BUDGET

Don Farish, Provost and Vice-President for Academic Affairs
Larry Schlereth, CFO and Vice-President for Administration and Finance

1. IT IS RECOMMENDED THAT THE FOLLOWING NEW OR ON-GOING EXPENSES, CURRENTLY FUNDED WITH ONE-TIME MONEY BE FINANCED VIA A \$100,000 REDUCTION IN THE CAMPUS GENERAL FUND RESERVE AND A \$200,000 REDUCTION IN GENERAL FUND SUPPORT FOR INSTRUCTIONAL EQUIPMENT:

| | |
|-----------------------------|-------------------|
| Executive Office OEE | \$ 35,000 |
| Admissions Director | \$ 90,000 |
| Academic Budget Officer | \$ 60,000 |
| Employee Assistance Program | \$ 25,000 |
| Academic Affairs Clericals | \$ 90,000 |
| TOTAL | \$ 300,000 |

2. IT IS RECOMMENDED THAT NEW DISCRETIONARY RESOURCES TO SSU IN 1996-1997 FROM THE CSU, PROJECTED TO TOTAL \$124,000 BE UTILIZED TO FINANCE THE FOLLOWING EXPENSES CURRENTLY FUNDED WITH ONE-TIME MONEY:

| | |
|-----------------------|-----------|
| SAS Operating Expense | \$ 40,000 |
| FRS Maintenance | \$ 50,000 |
| Campus Reserve | \$ 34,000 |

3. IT IS RECOMMENDED THAT THE UNIVERSITY INITIATE AN INTER-FUND LOAN FROM THE SSU PARKING PROGRAM AND THE SONOMA STATE ENTERPRISES TO FINANCE THE FOLLOWING EXPENSES CURRENTLY FUNDED WITH ONE-TIME MONEY OR NOT FUNDED AT ALL. IT IS UNDERSTOOD THAT THE INTERFUND LOAN WILL BE REPAID BY THE GENERAL FUND AT A RATE OF \$200,000 ANNUALLY FROM THE UNIVERSITY RESERVE BEGINNING IN FISCAL 1996-97. IT IS ALSO UNDERSTOOD THAT IF A PERMANENT FUND SOURCE IS NOT IDENTIFIED FOR THESE EXPENSES IN 1997-1998 AND BEYOND THEY WILL REMAIN UNFUNDED UNTIL A FUND SOURCE CAN BE IDENTIFIED

| | |
|---------------------------------------|------------|
| Quality of Instruction | \$ 450,000 |
| Operating Support, Information Tech., | \$ 100,000 |
| Instructional Equipment | \$ 200,000 |
| TOTAL | \$ 550,000 |

4. IT IS RECOMMENDED THAT GENERAL FUND RESOURCES CURRENTLY ALLOCATED FOR MANAGEMENT CONSULTANTS BE REALLOCATED TO ADMINISTRATION AND FINANCE TO ASSIST THE UNIVERSITY WITH GAAP COMPLIANCE ISSUES, THE INCREASED COMPLEXITY OF THE CSU FINANCIAL ENVIRONMENT AND GROWTH IN THE FOUNDATION ENDOWMENT.

5. IF CSU POLICY PERMITS, IT IS RECOMMENDED THAT AN ADDITIONAL LANDSCAPE POSITION IN ADMINISTRATION AND FINANCE BE FINANCED FROM THE SSU PARKING PROGRAM.

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17 April 97

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